

**DEPARTMENT OF TAXATION
2006 Fiscal Impact Statement**

1. **Patron** Terry G. Kilgore

2. **Bill Number** HB 194

3. **Committee** Senate Finance

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Tax Sales of Real Estate

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

In cases where there is no dispute as to title or value of the real estate, this bill would allow the circuit court to authorize the sale of tax delinquent real estate without a report by a commissioner in chancery upon receipt of 1) proper service of process on all parties defendant, 2) a written real estate title certificate and 3) the written report of a licensed real estate appraiser.

Current law requires the report of the licensed real estate appraiser to be in the form of a deposition.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

This bill would have no impact on state revenues. This bill may decrease the cost to localities of having tax delinquent real estate sold.

9. Specific agency or political subdivisions affected:

All localities.

10. **Technical amendment necessary:** No.

11. Other comments:

Current law provides for the tax sale of real estate by the locality when taxes due on the property are delinquent. In general, the locality must file a bill in equity in the circuit court requesting that the property be sold. Prior to ordering that the property be sold, the court may refer the case to a commissioner in chancery for a hearing and report concerning the

advisability of such a sale. Where there is no dispute as to title or value of the real estate, however, the circuit court may authorize a tax sale without a report by a commissioner in chancery upon receipt of 1) proper service of process on all parties defendant, 2) a written real estate title certificate and 3) the deposition of a licensed real estate appraiser.

This bill would delete the deposition requirement as it relates to the report of the real estate appraiser and replace it with the requirement that the report be in writing. This eliminates the time and expense of filing a deposition.

cc : Secretary of Finance

Date: 02/14/2006 JEM