

# DEPARTMENT OF TAXATION

## 2010 Fiscal Impact Statement

1. **Patron** W. Roscoe Reynolds

3. **Committee** Senate Finance

4. **Title** Relief for purchaser of property sold at  
treasurers' sales; Charles L. Kingrea.

2. **Bill Number** SB 1

**House of Origin:**

  X   **Introduced**

      **Substitute**

      **Engrossed**

**Second House:**

      **In Committee**

      **Substitute**

      **Enrolled**

**5. Summary/Purpose:**

This bill would provide relief to Charles L. Kingrea. In 1970 and 1971, Mr. Kingrea purchased real property in Floyd County pursuant to the treasurer's delinquent tax sale. Under law at the time, Mr. Kingrea would have been eligible after a number of years to make application to obtain clear title; however, a statute that would have permitted him to continue the process to completion was repealed in 1984 pursuant to the recodification of Title 58 of the Code of Virginia because it was deemed "obsolete." The bill would allow Mr. Kingrea to complete the process to obtain clear title to the properties. The bill has a July 1, 2014, sunset clause. This bill also contains an emergency clause.

**6. No Fiscal Impact.**

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

**8. Fiscal implications:**

Under the law at the time, Mr. Kingrea was required to pay all property taxes from the time of the purchase in order to qualify for issuance of a deed. Therefore, issuing a deed pursuant to this bill should neither increase nor decrease Floyd County's tax revenue.

**9. Specific agency or political subdivisions affected:** Floyd County.

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

**11. Other comments:**

Under former law, anyone could purchase rights to real estate on which taxes were delinquent. The Treasurer reported such sales to the Clerk of the Circuit Court, who handled subsequent issues arising from the transaction, such as redemption. If the owner did not redeem the property within three years by reimbursing the purchaser, then the purchaser could petition the court for a deed. Although the statutes at the time contemplated petitions as early as three years after the purchase, when redemption rights

generally expired), some purchasers would wait as long as 20 years to ensure the expiration of all redemption rights for minors and persons under a disability, or to claim all rights to the land under adverse possession, instead of just the rights that the delinquent taxpayer formerly owned. (Prior to 1973 separate tax assessments were made for each owner of rights to land, e.g., a life tenant and remainderman.)

This bill would reinstate the right for Mr. Kingrea to petition the court for the deed as would have been allowed under former law.

cc : Secretary of Finance

Date: 1/24/2010 JPJ  
SB0001F161