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HOUSE BILL NO. 499

Offered January 8, 2014

Prefiled January 6, 2014

A BILL to amend and reenact § 58.1-3975 of the Code of Virginia, relating to real property tax; nonjudicial sale of certain delinquent properties.

 Patron—Yost

 Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-3975 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-3975. Nonjudicial sale of tax delinquent real properties of minimal size and value.**

Notwithstanding any other provision of this title, the treasurer or other officer responsible for collecting taxes may sell, at public auction, any unimproved parcel of real property that is assessed at less than \$10,000, provided that the taxes on such parcel are delinquent on December 31 following the ~~fifth~~ *third* anniversary of the date on which such taxes have become due, and either such parcel (i) measures less than 4,000 square feet (.0918 acres), or (ii) is determined to be unsuitable for building due to the size, shape, zoning or soils of the parcel by the locality's zoning administrator. For purposes of determining the area of any parcel, the area or acreage found in the locality's land book shall be determinative.

Prior to conducting such sale the treasurer or other officer responsible for collecting taxes shall send notice by certified or registered mail to the record owner or owners of such property and anyone appearing to have an interest in the property at their last known address as contained in the records of the treasurer or other officer responsible for collecting taxes and shall post notice of such sale at the property location, if such property has frontage on any public or private street, and at the circuit courthouse of the locality at least 30 days prior to such sale. The treasurer or other officer responsible for collecting taxes shall also cause a notice of sale to be published in the legal classified section of a newspaper of general circulation at least seven days but no more than 21 days prior to the sale. The pro rata costs of publication and mailing shall become a part of the tax and shall be collected if payment is made by the owner in redemption of such real property. The treasurer or other officer responsible for collecting taxes may advertise and sell multiple parcels at the same time and place pursuant to one notice of sale. The treasurer or other officer responsible for collecting taxes may enter into an agreement with the owner of such parcel for payment over time, not to exceed 12 months. The owner of any property listed may redeem it at any time prior to the date of the sale by paying all accumulated taxes, penalties, interest and costs thereon, including the pro rata costs of publication and mailing. Partial payment of delinquent taxes, penalties, interest or costs shall be insufficient to redeem the property, and shall not operate to suspend, invalidate or nullify any sale brought pursuant to this section.

At the time of sale, the treasurer or other officer responsible for collecting taxes shall sell to the highest bidder at public auction each parcel that has not been redeemed by the owner. Such sale shall be free and clear of the tax lien, but shall not affect easements recorded prior to the date of sale. The treasurer or other officer responsible for collecting taxes shall tender a treasurer's deed to effectuate the conveyance of the parcel to the highest bidder. If the sale proceeds are insufficient to pay the taxes in full, the remaining delinquent tax amount shall remain the personal liability of the former owner. The sale proceeds shall be applied first to the costs of sale, then to the taxes, penalty, and interest due on the parcel, and thereafter to any other taxes or other charges owed by the former owner to the jurisdiction. Any excess proceeds shall remain the property of the former owner and shall be kept by the treasurer in an interest-bearing escrow account. If no claim for payment of excess proceeds is made by the former owner within two years after the date of sale, the treasurer shall deposit the excess proceeds in the jurisdiction's general fund. If the sale does not produce a successful bidder, the treasurer shall add the costs of sale incurred by the jurisdiction to the delinquent real estate account.

INTRODUCED

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