

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6729
BILL NUMBER: SB 218

DATE PREPARED: Dec 18, 1998
BILL AMENDED:

SUBJECT: Tax sale surplus fund.

FISCAL ANALYST: Bob Sigalow
PHONE NUMBER: 232-9859

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a delinquent taxpayer, before transferring property previously sold at a tax sale, to sign a form that discloses the amount of money in the tax sale surplus fund that the taxpayer will forego by transferring the property. It provides that the person who purchases the property from the delinquent taxpayer may not receive the amount of money in the tax sale surplus fund unless the person is named on the disclosure form.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The State Board of Accounts would be required to prescribe a tax surplus fund disclosure form. This could be done within their existing budget.

Explanation of State Revenues:

Explanation of Local Expenditures: Currently, when real property is sold at a tax sale, the payment is applied to current and delinquent taxes, special assessments, penalties, and costs. If the payment exceeds the amount needed to satisfy these items, the excess is deposited into the Tax Sale Surplus Fund. A verified claim for money which is deposited in the Tax Sale Surplus Fund may be filed by the owner of record before the tax sale, the tax sale purchaser if the property is redeemed by the former owner, or in some counties, a person with a substantial property interest of public record.

This proposal would require taxpayer to file a tax surplus fund disclosure form with the county auditor if ownership of tax sale property is transferred from a delinquent taxpayer to another person after the property is sold at tax sale but before the deed is issued. The form must contain the names and addresses of the transferring and acquiring parties, the date of the transfer and that of the tax sale, the transfer purchase price, and the amount that was deposited into the tax sale surplus fund.

The transfer would not be permitted unless the form has been filed. The person acquiring the property could

file a claim for the money in the Tax Sale Surplus Fund only if that person has been named on the form.

There should not be any fiscal impact on local government.

Explanation of Local Revenues:

State Agencies Affected: State Board of Accounts.

Local Agencies Affected: County Auditors.

Information Sources: