

HCS HB 2234 -- SURPLUS PROCEEDS FROM TAX SALES

SPONSOR: Byrnes

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Tax Reform by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HB 2234.

Currently, surplus proceeds from tax sales become a permanent school fund of the county if they are not distributed or called for as part of a redemption or collector's deed issuance after three years.

This bill requires such surplus proceeds to be transferred to the Unclaimed Property Division of the Office of State Treasurer instead.

The bill requires counties to notify the former owner of the property of the transfer and the person's right to reclaim the money within 30 days after the county makes such transfer.

This bill requires the county commission to issue payment of the surplus funds to the entitled party within 60 days of receiving the proof of entitlement to those funds.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill addresses individuals who are forced out of their home due to taxes, their home sells at auction for more than the taxes that were owed, and they do not collect that surplus within three years. Those in support of the bill state those uncollected funds go to the county school fund to use after the three years pass, and this bill reroutes the uncollected funds to the Unclaimed Property Division so the surplus can remain recoverable by the former homeowner. Supporters say collectors are not always notifying former homeowners when their homes sell for more than taxes owed, and this bill updates those notification standards.

Testifying in person for the bill were Representative Byrnes; and Tamara Rucker.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.