

# FINAL BILL REPORT

## HB 1401

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Synopsis as Enacted

**Brief Description:** Describing when tax foreclosed property may be disposed of by private negotiations.

By Representatives Dunshee, Horn, R. Fisher and H. Myers.

House Committee on Local Government  
Senate Committee on Government Operations

**Background:** A lien is established on property when property taxes are imposed on the property. The lien exists until the taxes are paid.

The county treasurer of the county in which the property is located issues a certificate of delinquency and the prosecuting attorney forecloses the lien for unpaid property taxes if property taxes remain unpaid for three years. Notice is made of the foreclosure proceeding before the superior court. The superior court orders the judgment for delinquent taxes, interest, and costs if the lien is not paid and orders the property sold. The property is sold by public auction if the lien is not paid by the day before the day of sale, with the minimum acceptable bid being for the amount of the delinquent taxes, interest, and costs.

If a minimum acceptable bid is not made at the public auction, the county is considered to have bid the minimum acceptable bid and acquires the property. The tax foreclosed property that the county obtains may be sold at a later date. Tax foreclosed property that is real property must be sold at a public auction. However, the county may sell tax foreclosed real property by private negotiation directly to any public agency for public purposes if the public agency pays an amount at least equal to the principal amount of unpaid taxes.

**Summary:** The instances when a county may sell tax foreclosed real property by private negotiation without using a public auction are expanded to include: (1) when the county legislative authority determines that it is not practical to build on the real property due to the physical characteristics of the property or legal restrictions on construction activities on the property; or (2) when an attempt is made to sell the real property at a public auction, but no acceptable bids are received, if the

property is sold within six months from the date of the attempted public auction.

**Votes on Final Passage:**

House	97	0
Senate	44	0

**Effective:** July 25, 1993