

SENATE BILL REPORT

HB 1401

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS, MARCH 25, 1993

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

SPONSORS: Representatives Dunshee, Horn, R. Fisher and H. Myers

HOUSE COMMITTEE ON LOCAL GOVERNMENT

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, and Winsley.

Staff: Rod McAulay (786-7754)

Hearing Dates: March 24, 1993; March 25, 1993

BACKGROUND:

When property taxes remain unpaid for three years, the tax lien on the property is foreclosed and the property offered for sale at a public auction. If a minimum bid in the amount of the delinquent taxes plus interest and costs is not received, ownership automatically transfers to the county. Any real property acquired in this manner must be sold at a public auction unless it is sold to a public agency for public purposes for no less than the principal amount of the unpaid taxes.

SUMMARY:

A county may sell real property acquired through a tax foreclosure sale by private negotiation when (1) the county legislative authority determines that it is not practical to build on the property either due to the physical characteristics of the property or legal restrictions on construction activities on the property, or (2) the property is sold within six months of a public auction at which no acceptable bids were received.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Provides an efficient way for counties to dispose of "nuisance strips" and return property to the tax rolls. King County has over 5,000 slivers of land which cannot be sold under current legal limitations. Snohomish County projects substantial savings.

TESTIMONY AGAINST: None

TESTIFIED: Representative Dunshee, prime sponsor; Ed Larson, Snohomish County; Caroline Thompson, King County