# HOUSE BILL ANALYSIS
# HB 1225

**Title:** An act relating to tax lien foreclosures.

**Brief Description:** Redefining the record owner for the purposes of sales under tax lien foreclosures.

**Sponsors:** Representatives Carrell, Lambert, Sherstad, Hickel and Zellinsky.

## HOUSE COMMITTEE ON LAW & JUSTICE

**Staff:** Bill Perry (786-7123).

**Background:** If taxes are not paid on a piece of real property, those unpaid taxes become a lien against the property. Several procedural steps are necessary to foreclose a tax lien. One of these steps is the issuance of a certificate of delinquency.– This certificate is issued to the county by the county treasurer three years after the taxes have become delinquent. After filing of the certificate to begin a foreclosure action in court, and after notice to the property owner, a judgment may be entered foreclosing the lien. To enforce the judgement, the property may then be sold at a tax judgment sale. The sale is subject to what is called a minimum bid.– This minimum bid is the amount necessary to pay off the taxes plus interest and penalties and also to cover the costs of the sale. If the sale price at the judgment sale is more than this minimum bid, the excess amount is paid to the record owner.–

The record owner of property for purposes of this procedure is the person who has title to the property as of the day the certificate of delinquency is issued. Sometimes, title to property may be transferred to a new owner between the time of the issuance of a certificate of delinquency and the time of the sale of the property.

**Summary of Bill:** The record owner who is entitled to any excess over the minimum bid at a tax lien foreclosure sale is the person who owns the property on the day of the sale, rather than the person who owns the property on the day the certificate of delinquency is issued.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

Office of Program Research