

PROPERTY TAX SALES REVISIONS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Earl D. Tanner

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions addressing the redemption of property from a tax sale.

Highlighted Provisions:

This bill:

- ▶ extends the time period for redeeming property from a tax sale;
- ▶ provides that a county auditor may not take certain actions before the expiration of the time period for redeeming property; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on January 1, 2014.

Utah Code Sections Affected:

AMENDS:

59-2-1346, as last amended by Laws of Utah 1995, Chapter 181

59-2-1351.1, as last amended by Laws of Utah 2000, Chapter 75

59-2-1351.3, as last amended by Laws of Utah 2000, Chapter 75

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-1346** is amended to read:



28 **59-2-1346. Redemption -- Time allowed -- Procedures.**

29 (1) (a) Property may be redeemed on behalf of the record owner by any person at any
30 time ~~[prior to]~~ no later than 180 days after the tax sale, which shall be held;

31 (i) in May or June as provided in Section 59-2-1351 ~~[following the lapse of four years~~
32 ~~from]; and~~

33 (ii) after a four-year period that begins on the date the property tax became delinquent.

34 (b) A person may redeem property by paying to the county treasury all delinquent
35 taxes, interest, penalties, and administrative costs that have accrued on the property.

36 (2) At any time prior to the expiration of the period of redemption described in
37 Subsection (1)(a), the county treasurer shall accept and credit on account for the redemption of
38 property, payments in amounts of not less than \$10, except for the final payment, which may be
39 in any amount.

40 (3) For the purpose of computing the amount required for redemption and for the
41 purpose of distributing the payments received on account, all payments shall be applied in the
42 following order until the full amount of the delinquent taxes, penalties, administrative costs,
43 and interest on the unpaid balances are paid within the period of redemption described in
44 Subsection (1)(a):

45 (a) against the interest and administrative costs accrued on the delinquent tax for the
46 last year included in the delinquent account at the time of payment;

47 (b) against the penalty charged on the delinquent tax for the last year included in the
48 delinquent account at the time of payment;

49 (c) against the delinquent tax for the last year included in the delinquent account at the
50 time of payment; and

51 (d) against the interest and administrative costs accrued on the delinquent tax for the
52 next to last year included in the delinquent account at the time of payment[;].

53 ~~[(e) and so on until the full amount of the delinquent taxes, penalties, administrative~~
54 ~~costs, and interest on the unpaid balances are paid within the period of redemption.]~~

55 Section 2. Section **59-2-1351.1** is amended to read:

56 **59-2-1351.1. Tax sale -- Combining certain parcels -- Acceptable bids -- Deeds.**

57 (1) (a) At the time specified in the notice the auditor shall:

58 (i) attend at the place appointed, offer for sale, and sell all real property for which an

59 acceptable bid is made; and

60 (ii) refuse to offer a parcel of real property for sale if the description of the real
61 property is so defective as to convey no title.

62 (b) The auditor may post at the place of sale a copy of the published list of real
63 property to be offered and cry the sale by reference to the list rather than crying each parcel
64 separately.

65 (2) (a) The tax commission shall establish, by rule, minimum procedural standards
66 applicable to tax sales.

67 (b) For matters not addressed by commission rules, the county legislative body, upon
68 recommendation by the county auditor, shall establish procedures, by ordinance, for the sale of
69 the delinquent property that best protect the financial interest of the delinquent property owner
70 and meet the needs of local governments to collect delinquent property taxes due.

71 (3) The county governing body may authorize the auditor to combine for sale two or
72 more contiguous parcels owned by the same party when:

73 (a) the parcels are a single economic or functional unit;

74 (b) the combined sale will best protect the financial interests of the delinquent property
75 owner; and

76 (c) separate sales will reduce the economic value of the unit.

77 (4) The governing body may accept any of the following bids:

78 (a) the highest bid amount for the entire parcel of property, however, a bid may not be
79 accepted for an amount which is insufficient to pay the taxes, penalties, interest, and
80 administrative costs; or

81 (b) a bid in an amount sufficient to pay the taxes, penalties, interest, and administrative
82 costs, for less than the entire parcel.

83 (i) The bid which shall be accepted shall be the bid of the bidder who will pay in cash
84 the full amount of the taxes, penalties, interest, and administrative costs for the smallest portion
85 of the entire parcel.

86 (ii) The county auditor at the tax sale or the county legislative body following the tax
87 sale shall reject a bid to purchase a strip of property around the entire perimeter of the parcel,
88 or a bid to purchase a strip of the parcel which would prevent access to the remainder of the
89 parcel by the redemptive owner or otherwise unreasonably diminish the value of that

90 remainder.

91 (iii) If the bid accepted is for less than the entire parcel, the auditor shall note the fact,
92 with a description of the property covered by the bid, upon the tax sale record and the balance
93 of the parcel not affected by the bid shall be considered to have been redeemed by the owner.

94 (5) The county legislative body may decide that none of the bids are acceptable.

95 (6) Once the county auditor has [~~closed the sale of a particular parcel of property as a~~
96 ~~result of accepting~~] accepted a bid on the parcel, the successful bidder or purchaser of the
97 property may not unilaterally rescind the bid. The county legislative body, after acceptance of
98 a bid, may enforce the terms of the bid by obtaining a legal judgment against the purchaser in
99 the amount of the bid, plus interest and attorneys' fees.

100 (7) A county auditor may not close a sale under this section before the expiration of the
101 time period prescribed by Section 59-2-1346 for redeeming property.

102 [~~(7)~~] (8) Any sale funds which are in excess of the amount required to satisfy the
103 delinquent taxes, penalties, interest, and administrative costs of the delinquent property shall be
104 treated as unclaimed property under Title 67, Chapter 4a, Unclaimed Property Act.

105 [~~(8)~~] (9) All money received upon the sale of property made under this section shall be
106 paid into the county treasury, and the treasurer shall settle with the taxing entities as provided
107 in Section 59-2-1366.

108 [~~(9)~~] (10) (a) The county auditor shall, after acceptance by the county governing body,
109 and in the name of the county, execute deeds conveying in fee simple all property sold at the
110 public sale to the purchaser and attest this with the auditor's seal. Deeds issued by the county
111 auditor under this section shall recite the following:

112 (i) the total amount of all the delinquent taxes, penalties, interest, and administrative
113 costs which were paid in for the execution and delivery of the deed;

114 (ii) the year for which the property was assessed, the year the property became
115 delinquent, and the year the property was subject to tax sale;

116 (iii) a full description of the property; and

117 (iv) the name of the grantee.

118 (b) When the deed is executed and delivered by the auditor, it shall be prima facie
119 evidence of the regularity of all proceedings subsequent to the date the taxes initially became
120 delinquent and of the conveyance of the property to the grantee in fee simple.

121 (c) The deed issued by the county auditor under this section shall be recorded by the
122 county recorder.

123 (d) The fee for the recording shall be included in the administrative costs of the sale.

124 (e) The deed shall be substantially in the following form:

125 TAX DEED

126 ___ County, a body corporate and politic of the state of Utah, grantor, hereby conveys to
127 ___, grantee, of ___ the following described real estate in ___ County, Utah:

128 (Here describe the property conveyed)

129 This conveyance is made in consideration of payment by the grantee of \$___,
130 representing the total amount owing for delinquent taxes, penalties, interest, and administrative
131 costs constituting a charge against the real property for nonpayment of general taxes assessed
132 against it for the years ___ through ___ in the sum of \$___.

133 Dated _____(month\day\year).

134 (Auditor's Seal)

135 County _____

136 By _____

137 County Auditor

138 Section 3. Section **59-2-1351.3** is amended to read:

139 **59-2-1351.3. No purchaser at tax sale -- Property struck off to county.**

140 (1) [~~Any~~] Subject to Subsection (2), any property offered for sale for which there is no
141 purchaser shall be struck off to the county by the county auditor, who shall then:

142 (a) publicly declare substantially as follows: "All property here offered for sale which
143 has not been struck off to a private purchaser is hereby struck off and sold to the county of
144 ___ (naming the county), and I hereby declare the fee simple title of the property to be vested
145 in the county";

146 (b) make an endorsement opposite each of the entries in the delinquency tax sale record
147 described in Section 59-2-1338 substantially as follows: "The fee simple title to the property
148 described in this entry in the year of ___, sold and conveyed to the county of ___ in payment
149 of general taxes charged against the property"; and

150 (c) sign the auditor's name to the record.

151 (2) Property offered for sale for which there is no purchaser may not be struck off to

152 the county by the county auditor before the expiration of the time period prescribed by Section
153 59-2-1346 for redeeming the property.

154 [~~2~~] (3) The fee simple title to the property shall then vest in the county.

155 [~~3~~] (4) (a) After following the procedures in Subsection (1), the auditor shall deposit
156 the tax sale record with the county recorder.

157 (b) The record described in Subsection (4)(a) shall become a part of the official records
158 of the recorder and is considered to have been recorded by the recorder.

159 [~~4~~] (5) The recorder shall make the necessary entries in the index, abstract record, and
160 plat book showing the conveyance of all property sold and conveyed to the county pursuant to
161 this section.

162 Section 4. **Effective date.**

163 This bill takes effect on January 1, 2014.

Legislative Review Note
as of 2-12-13 8:35 AM

Office of Legislative Research and General Counsel