

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 735

**PRINTER NO.** 898

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 1, 2017

**PRIME SPONSOR**

Senator Brewster

**DESCRIPTION**

Senate Bill 735 amends the Real Estate Tax Sale Law to allow counties to impose a fee on properties sold for delinquent taxes and to create a demolition and rehabilitation fund.

This bill allows counties to establish a fee of up to 10% on the price of properties sold for delinquent taxes. The fee shall be collected at the time of the sale from the buyer as a condition of conveying title to the property.

If a county establishes a fee, it must establish a county demolition and rehabilitation fund, into which the fee will be deposited. The fee will apply to the sale of a property for delinquent taxes conducted in the calendar year beginning no less than 90 days after the effective date of the ordinance.

The fund shall be used solely by the county or approved nonprofit or for-profit corporation, taxing districts redevelopment authority or land bank for the demolition or rehabilitation of blighted property in the county.

The fee cannot be applied to property sold for delinquent taxes to a nonprofit entity, land bank or government entity.

**FISCAL IMPACT:**

There is no fiscal impact on Commonwealth funds.

Senate Bill 735 gives a county the option to implement a fee, at any level up to 10%, to be paid by the purchaser of tax-delinquent property. To the extent that a county opts to impose a fee, money will be deposited into a newly established fund for the demolition and rehabilitation of blighted property located in the county.

Revenue estimates would be determined by the level of fee imposed, the number of delinquent tax sales performed each year in the county, and the values of the properties sold to which the fee is applied.