



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 352

PRINTERS NO. 364 PRIME SPONSOR: Schlegel- Culver

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 352, Printer's Number 364, amends Title 42 (Judiciary and Judicial Procedure) providing for time limitation and procedures for the acquisition of title to real property through adverse possession.

ANALYSIS:

This legislation allows for the adverse possession to a title of real property after 10 years of actual, continuous, exclusive, visible, notorious, distinct and hostile possession of the property when certain criteria is met. In order to acquire a title a person must file an action in quiet title and provide notice to the owner or owners of record. The owner or owners of record have the opportunity to respond to the action of ejectment, if there is no response within one year the court may enter judgement granting the title by adverse possession.

The legislation outlines the general rules for owners or owners of record to seek any mesne profits. The bill also provides guidelines for reimbursements for the defendant in any ejection action.

The provisions of the bill do not apply to real property that is part of a common interest ownership community, property owned by the United States, the Commonwealth, a local government, or any agency, authority or other unit of the United States, the Commonwealth or local government, including but not limited to, a redevelopment authority, municipal authority and school district or joint agency or the United States, the Commonwealth or local government unity.

This legislation will take effect in one year.

FISCAL IMPACT:

Enactment of this legislation would have a potential unknown revenue gain to the Commonwealth and local government.

When property is transferred, and the property is not exempt from the realty transfer tax (RTT), the Commonwealth and local government could see an increase in RTT revenues. In addition, if a property is delinquent in county, municipal or school district real estate taxes; shortening the

time period to transfer ownership, could result in an increase to local real estate tax revenue to local governments.

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House Appropriations Committee (R)

DATE: May 8, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.