

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 482

PRINTER NO. 748

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

February 13, 2015

PRIME SPONSOR

Senator Brewster

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 482 amends the Real Estate Tax Sale Law (Act 542 of 1947) to authorize an optional fee on the purchase price of a property sold for delinquent taxes to be used for demolition or rehabilitation of blighted properties.

The legislation provides for the establishment of an optional demolition and rehabilitation fund in each county that authorizes imposition of the fee under this act.

Senate Bill 482 provides that the governing body of a county may, by ordinance, impose a fee not to exceed 10% of the purchase price of a property sold for delinquent taxes under the Real Estate Tax Sale Law. The tax claim bureau, taxing district or other government entity conducting the sale of the property shall determine the amount of the fee based on the final purchase price and collect it at the time of sale from the buyer as a condition of conveying title to the property. The fee raised shall be deposited into the county demolition and rehabilitation fund to be used exclusively for the demolition or rehabilitation of blighted property located in the county.

The fee shall not apply to a property sold for delinquent real property taxes to a nonprofit entity, land bank or government entity.

The act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 482 will have no fiscal impact on Commonwealth funds.

Senate Bill 482 authorizes, but does not require, the imposition of a fee not to exceed 10% of the purchase price of a property sold for delinquent taxes. To the extent that a county opts to impose the fee, money will be deposited into a newly established demolition and rehabilitation fund for the demolition and rehabilitation of blighted property located in the county.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Providing a funding source for the remediation of blighted properties would allow these properties to be refurbished and/or rebuilt and brought back into productive use, gradually generating additional property tax revenue for local governments.

The local fiscal impact depends upon how many counties opt to create a county demolition and rehabilitation fund and impose a fee not to exceed 10% of the purchase price of a property sold for delinquent taxes. As a result, the amount of money that may be generated by Senate Bill 482 is unknown at this time.