



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

HB2445: right to redeem; lien; sale

Sponsor: Representative Kern, LD 20
Committee on Ways & Means

Overview

Implements a modified process to satisfy a property tax lien, including the auction and sale process and the disposition of the proceeds received from the sale.

History

Current law specifies that when a person is delinquent in paying property tax, the tax shall be collected by the county treasurer in the manner and method prescribed in [Title 42, chapter 18](#), which includes the auction and sale of the property.

Provisions

1. Provides that a lien may be fully redeemed after three years but before the entry of a judgment foreclosing the right to redeem. (Sec. 1)
2. Provides that a partially redeemed lien must be fully redeemed before the entry of a judgment foreclosing the right to redeem. (Sec. 1)
3. Requires the court judgment to direct the county treasurer to sell the property and timely deliver a deed conveying the property to the purchaser, after the purchaser pays. (Sec. 2, 3)
4. States that the foreclosure does not extinguish a property owner's or lienholder's interest on the surplus proceeds from the sale of the property. (Sec. 2)
5. Requires the county treasurer to follow current law when preparing the list of properties for sale at public auction, advertising the notice of sale and conducting the public auction. (Sec. 3)
6. Requires the deed conveying property to a purchaser to additionally include:
 - a) The judgment foreclosing the right to redeem;
 - b) The date of the public auction; and
 - c) The price the purchaser paid for the property. (Sec. 3)
7. Requires the proceeds from the sale to be distributed according to current law. (Sec. 3)
8. Amends the article heading of Title 42, Chapter 18, Article 7 to "Sale of Real Property by County Treasurer." (Sec. 4)
9. Removes the board supervisors and requires the county treasurer to advertise the notice of sale. (Sec. 5)
10. Requires the notice of sale to be on the official websites of the board of supervisors and county treasurer. (Sec. 5)
11. Requires the notice of sale to be mailed to the mailing address of the predecessor owner according to the county recorder or to the following:

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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- a) Predecessor owner according to the county assessor;
 - b) Address of the property; and
 - c) The tax bill mailing address according to the county treasurer. (Sec. 5)
12. Requires the auction to be held within six months after the judgment foreclosing the right to redeem and the county treasurer to sell to the highest cash bidder. (Sec. 6)
 13. Requires the county treasurer to post the property and date of the auction with a real estate listing service provided by an organization of licensed real estate brokers or an equivalent service. (Sec. 6)
 14. Allows the county treasurer to contract with a private party to operate and advertise the auction. (Sec. 6)
 15. Allows for the private party to receive up to 3% of the property sale price if the property sells for more than the taxes, penalties, interest and costs charged against the property. (Sec. 6)
 16. States that a judgment foreclosing the right to redeem allows the county treasurer the right to possess and access the property and to allow a private party to photograph or view the property. (Sec. 6)
 17. Requires the county treasurer to set the minimum bid for the property at its limited cash value. (Sec. 6)
 18. Requires a second auction within six months if there are no bids at the first auction.
 19. Specifies that the county treasurer must set the minimum bid at the second auction to be the amount of taxes, penalties, interest and costs charged against the property. (Sec. 6)
 20. Requires the county treasurer, after receiving full payment for the property, to execute and deliver the deed, which is acknowledged by the chairman of the board of supervisors, conveying the title to the purchaser. (Sec. 6)
 21. Requires the county treasurer, after deducting the taxes, penalties, interest and costs charged against the property, to post a public list of the remaining monies that any party had a legal interest. (Sec. 6)
 22. Requires a continuous posting in the county treasurer's office and official website of the public list of the property, the surplus monies and the date of sale to a list of properties sold in the past five years. (Sec. 6)
 23. Requires the county treasurer to notify the former property and any person with a recorded interest after full payment of the property is received. (Sec. 6)
 24. Requires the notice to include:
 - a) That the property was sold;
 - b) The purchase price;
 - c) The total amount owed;
 - d) That a statement of interest to claim any surplus monies is due within six months;
 - e) That the county superior court will resolve any disputed claim;
 - f) That lienholders or other interested parties that filed a claim take priority over the former property owner's interest;
 - g) That failure to file a timely claim may forfeit the right to stop the county treasurer from disbursing surplus monies to verified claimants that filed timely; and
 - h) That failure to file a timely claim may entitle a third-party locator to charge a fee up to \$500. (Sec. 6)

25. Requires the county treasurer to publicly list the amount of remaining surplus monies, including the names of the former owner and other interested parties, if only a portion of the monies are claimed. (Sec. 6)
26. States that all surplus monies that are unclaimed after five years must become unclaimed property. (Sec. 6)
27. Allows a third party to seek out valid owners of surplus monies and charge a fee for being the first person to identify a valid owner's information to the county treasurer. (Sec. 6)
28. Requires the fee to be determined as follows:
 - a) \$500 if the claim is at least \$1,500;
 - b) 30% if the claim is less than \$1,500; or
 - c) An agreed upon contract amount that is signed and notarized with a witness. (Sec. 6)
29. Requires the third party to enter into a contract with the person who may be eligible to claim surplus monies and provides a format for the contract. (Sec. 6)
30. States that this act may be cited as the "Equity Theft Prevention Act". (Sec. 7)
31. Contains an emergency clause. (Sec. 8)
32. Contains technical and conforming changes. (Sec. 1, 2, 3, 5, 6)