

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 289 Advertisement of Real or Personal Property with Delinquent Taxes
SPONSOR(S): Baxley and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee		Rice	Diez-Arguelles
2) Local Government Council			
3) Civil Justice Committee			
4) Fiscal Council			
5) _____			

SUMMARY ANALYSIS

The bill reduces the number of times real or personal property with delinquent taxes must be advertised before the tax certificate sale.

Under current law, the Tax Collector, prior to selling a tax certificate, must advertise the sale once a week for three weeks.

This bill changes the advertisement requirement to one advertisement at least 21 days prior to the sale.

The bill takes effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government: the bill reduces the number of times the Tax Collector must advertise the property with delinquent taxes prior to selling the tax certificate.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Ad Valorem taxes on real property are collected by the county Tax Collector on an annual basis.

Section 197.332, F.S. provides that the Tax Collector has the authority and obligation to collect all taxes, as listed on the county tax roll, by their delinquency date or to collect delinquent taxes, interest, and costs, by sale of tax certificates on real property and by seizure and sale of personal property.

All taxes are due on November 1st of each year or as soon thereafter as the certified roll is received by the Tax Collector¹. In accordance with s.197.322, F.S., the Tax Collector must publish in a local newspaper that the tax roll is open for collection and within 20 working days must mail tax bills to applicable individuals. It is the responsibility of each taxpayer to ensure that taxes are paid.

Taxes become delinquent on April 1st of each year following the year in which they are assessed or immediately after 60 days have expired from the mailing of the original tax notice^{2 3}. Section 197.402, F.S. requires the Tax Collector to advertise the delinquent parcels in a local newspaper once a week for three consecutive weeks prior to the tax certificate sale. The cost of this advertising is added to the delinquent taxes.

Beginning on or before June 1st, the Tax Collector is required by law to hold a tax certificate sale. The certificates represent liens on all unpaid taxes on real estate. The sale allows citizens to buy these certificates by paying off the owed tax debt. The sale is conducted in reverse auction style with participants bidding downward on interest rates starting at 18%. The certificate is awarded to the lowest bidder.

A tax certificate, when purchased, becomes an enforceable first lien against the real estate. The certificate holder is actually paying the taxes for a property owner in exchange for a competitive bid rate of return on his or her investment. In order to remove the lien, the property owner must pay the Tax Collector all delinquent taxes plus accrued interest, cost, and other charges. The Tax Collector then notifies the certificate holder of any certificates redeemed and a check is issued to the certificate holder.

¹ s.197.333, F.S.

² s.197.333, F.S.

³ If the delinquency date for ad valorem taxes is later than April 1 of the year following the year in which taxes are assessed, all dates or time periods specified in this chapter relative to the collection of, or administrative procedures regarding, delinquent taxes shall be extended a like number of days (s.197.333, F.S.).

A tax certificate is valid for seven years from the date of issuance. The holder may apply for a tax deed when two or more years have elapsed since the date of delinquency. If the property owner fails to pay the tax debt, the property tax deed is sold at public auction.

Effect of Proposed Change

The bill amends ss.197.402 and 197.403, F.S., to change the number of times the county Tax Collector is required to advertise real or personal property with delinquent taxes from once a week for three weeks to one time at least 21 days before the sale of the tax certificate.

C. SECTION DIRECTORY:

Section 1. Amends s.197.402, F.S.,

Section 2. Amends s.197.403, F.S. to conform to the changes being made to s.197.402, F.S.

Section 3. Provides that the act shall take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill will reduce the county Tax Collectors' expenditures as they will not have to advertise tax certificate sales as often.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not: require the counties or cities to spend funds or take and action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES