

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 71

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAX DEEDS; AMENDING SECTION 31-808, IDAHO CODE, TO PROVIDE THAT EXCESS FUNDS RECEIVED FROM THE SALE OF A TAX DEED SHALL BE TREATED AS PROPERTY TAX REVENUE FOR PURPOSES OF CALCULATING THE FOLLOWING YEAR'S LIMITATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 31-808, Idaho Code, be, and the same is hereby amended to read as follows:

31-808. SALE OF COUNTY PROPERTY -- GENERAL PROCEDURE -- SALE OF PROPERTY ACQUIRED THROUGH TAX DEED -- PROCEDURE AFTER ATTEMPTED AUCTION -- EXCHANGE OF COUNTY PROPERTY -- SALE OF CERTAIN ODD-LOT PROPERTY -- SALE, EXCHANGE OR DONATION OF PROPERTY TO OTHER UNITS OF GOVERNMENT. (1) A board of county commissioners shall have the power and authority to sell or offer for sale at public auction any real or personal property belonging to the county not necessary for its use. However, personal property not exceeding two hundred fifty dollars (\$250) in value may be sold at private sale without notice or public auction. Prior to offering the property for sale, the board of county commissioners shall advertise notice of the auction in a newspaper, as defined in section 60-106, Idaho Code, either published in the county or having a general circulation in the county, not less than ten (10) calendar days prior to the auction. If the property to be sold is real property, the notice to be published shall contain the legal description as well as the street address of the property. If the property is outside the corporate limits of a city and does not have a street address, then the description shall also contain the distance and direction of the location of the real property from the closest city.

If the property to be sold is acquired by tax deed, the notice required to be published shall include, next to the description of the property, the name of the taxpayer as it appears in the delinquent tax certificate upon which the tax deed was issued. The property shall be sold to the highest bidder. However, the board of county commissioners shall set the minimum bid for the tax deeded property to include all property taxes owing, interest and costs but they may reserve the right to reject any and all bids and shall have discretionary authority to reject or accept any bid which may be made for an amount less than the total amount of all delinquent taxes, late charges, interest and costs, including other costs associated with the property, advertising, and sale, which may have accrued against any property so offered for sale, including the amount specified in the tax deed to the county. Such action by the board in setting the minimum bid shall be duly noted in their minutes. Failure to do so shall not invalidate a sale. For tax deeded property, the board of county commissioners shall conduct an auction no later than fourteen (14) months from the issuance of the tax deed.

1 (2) (a) Proceeds from the sale of county property not acquired by tax  
2 deed shall be paid into the county treasury for the general use of the  
3 county.

4 (b) If the property to be sold has been acquired by tax deed, pursuant  
5 to the provisions of chapter 10, title 63, Idaho Code, the proceeds from  
6 the sale, after payment of all delinquent taxes, late charges, inter-  
7 est and costs, including the cost for maintaining the property, shall  
8 be apportioned by the board of county commissioners to parties in inter-  
9 est as defined in section 63-201, Idaho Code, and then to the owner(s) of  
10 record of such property at the time the tax deed was issued on the prop-  
11 erty.

12 (c) Once such tax deeded property has been sold, the board of county  
13 commissioners shall within thirty (30) days notify all parties in in-  
14 terest of such sale and the amount of the excess proceeds. Such parties  
15 in interest shall respond to the board of county commissioners, within  
16 sixty (60) days of receiving such notice, making claim on the proceeds.  
17 No responses postmarked or received after the sixtieth day shall be  
18 accepted. The board of county commissioners shall then make payment  
19 to parties in interest in priority of the liens pursuant to law, within  
20 sixty (60) days. All funds available after payment to parties in inter-  
21 est shall be returned to the owner(s) of record of the property at the  
22 time the tax deed was issued. All costs associated with the compliance  
23 of this section shall be deducted from any amounts refunded to the par-  
24 ties in interest or owner(s) of record.

25 (3) Any property sold may be carried on a recorded contract with the  
26 county for a term not to exceed ten (10) years and at an interest rate not to  
27 exceed the rate of interest specified in section 28-22-104(1), Idaho Code.  
28 The board of county commissioners shall have the authority to cancel any con-  
29 tract if the purchaser fails to comply with any of the terms of the contract  
30 and the county shall retain all payments made on the contract. The title to  
31 all property sold on contract shall be retained in the name of the county  
32 until full payment has been made by the purchaser. However, the purchaser  
33 shall be responsible for payment of all property taxes during the period of  
34 the contract.

35 (4) Any sale of property by the county shall vest in the purchaser all  
36 of the right, title and interest of the county in the property, including all  
37 delinquent taxes which have become a lien on the property since the date of  
38 issue of the tax deed, if any.

39 (5) In addition to the purchase price, a purchaser of county property,  
40 including property acquired by tax deed, shall pay all fees required by law  
41 for the transfer of property. No deed for any real estate purchased pursuant  
42 to the provisions of this section shall be delivered to a purchaser until  
43 such deed has been recorded in the county making the sale.

44 (6) Should the county be unable to sell at a public auction any real or  
45 personal property belonging to the county, including property acquired by  
46 tax deed, it may sell the property without further notice by public or pri-  
47 vate sale upon such terms and conditions as the county deems necessary. Dis-  
48 tribution of the proceeds of sale shall be as set forth in subsection (2) of  
49 this section.

1       (7) The board of county commissioners may at its discretion, when in the  
2 county's best interest, exchange and do all things necessary to exchange any  
3 of the real property now or hereafter held and owned by the county for real  
4 property of equal value, public or private, to consolidate county real prop-  
5 erty or aid the county in the control and management or use of county real  
6 property.

7       (8) The board of county commissioners may, by resolution, declare cer-  
8 tain parcels of real property as odd-lot property, all or portions of which  
9 are not needed for public purposes and are excess to the needs of the county.  
10 For purposes of this subsection, odd-lot property is defined as that prop-  
11 erty that has an irregular shape or is a remnant and has value primarily to  
12 an adjoining property owner. Odd-lot property may be sold to an adjacent  
13 property owner for fair market value that is estimated by a land appraiser  
14 licensed to appraise property in the state of Idaho. If, after thirty (30)  
15 days' written notice, an adjoining property owner or owners do not desire to  
16 purchase the odd-lot property, the board of county commissioners may sell  
17 the property to any other interested party for not less than the appraised  
18 value. When a sale of odd-lot property is agreed to, a public advertisement  
19 of the pending sale shall be published in one (1) edition of the newspaper as  
20 defined in subsection (1) of this section, and the public shall have fifteen  
21 (15) days to object to the sale in writing. The board of county commissioners  
22 shall make the final determination regarding the sale of odd-lot property in  
23 an open meeting.

24       (9) In addition to any other powers granted by law, the board of county  
25 commissioners may at their discretion, grant to or exchange with the federal  
26 government, the state of Idaho, any political subdivision or taxing district  
27 of the state of Idaho or any local historical society which is incorporated  
28 as an Idaho nonprofit corporation which operates primarily in the county or  
29 maintains a museum in the county, with or without compensation, any real or  
30 personal property or any interest in such property owned by the county or  
31 acquired by tax deed, after adoption of a resolution by the board of county  
32 commissioners that the grant or exchange of property is in the public inter-  
33 est. Notice of such grant or exchange shall be as provided in subsection  
34 (1) of this section and the decision may be made at any regularly or spe-  
35 cially scheduled meeting of the board of county commissioners. The execu-  
36 tion and delivery by the county of the deed conveying an interest in the prop-  
37 erty shall operate to discharge and cancel all levies, liens and taxes made  
38 or created for the benefit of the state, county or any other political subdi-  
39 vision or taxing district and to cancel all titles or claims of title includ-  
40 ing claims of redemption to such real property asserted or existing at the  
41 time of such conveyance. However, if the property conveyed is subject to a  
42 lien for one (1) or more unsatisfied special assessments, the lien shall con-  
43 tinue until all special assessments have been paid in full. At no time shall  
44 a lien for a special assessment be extinguished prior to such special assess-  
45 ment having been paid in full. Any property conveyed to any local histori-  
46 cal society by the county shall revert to the county when the property is no  
47 longer utilized for the purposes for which it was conveyed.

48       (10) When the county has title to mineral rights severed from the prop-  
49 erty to which they attach, and the mineral rights have value of less than  
50 twenty-five dollars (\$25.00) per acre, the board of county commissioners may

1 act to return the mineral rights to the land from which they were severed in  
2 the following manner: the proposed action must appear on the agenda of a reg-  
3 ular meeting of the board of county commissioners; and the motion to make the  
4 return must be adopted unanimously by the board voting in open meeting.

5 (11) If there are excess funds and the owner(s) of record of the prop-  
6 erty at the time the tax deed was issued on the property cannot be located,  
7 then the county treasurer shall put all remaining excess funds in an inter-  
8 est-bearing trust for three (3) years. The county may charge for the actual  
9 costs for performing the search, and after three (3) years, any remaining  
10 funds shall be transferred to the county indigent fund. The levy set to fund  
11 this portion of the indigent budget shall be calculated based on the budget  
12 subject to the limitation in section 63-802, Idaho Code, less the money re-  
13 ceived from the interest-bearing trust. Moneys received in any year in this  
14 manner shall be treated as property tax revenues for purposes of calculating  
15 the following year's limitation provided for in section 63-802, Idaho Code.