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HEARING DATE: March 29, 2023

BILL: HB0083

TITLE: Property Tax - Tax Sales - Redemption

SDAT POSITION: SUPPORT

HB0083 would permit the collector to redeem the homeowner's tax lien without a release from the lien purchaser when the purchaser fails to respond to requests for a payoff amount.

When a homeowner redeems after a tax sale, they must pay the lien purchaser's attorney's fees first, and then provide the attorney's release letter to the county. The county does not accept payment from the homeowner to redeem without the release.

This bill would incentivize lien purchasers to respond to payoff requests in a timely manner by (1) requiring the collector to attempt to contact the purchaser when a homeowner reports no response, and (2) if the purchaser still failed to respond, it would allow the collector to accept redemption payoff from the homeowner without a release from the purchaser.

This would help the homeowner redeem after tax sale, and remove their home from the risk of foreclosure and move forward with plans to stay current on payments to their future tax bills.

This bill would save homeowners significant interest and fees from delays by lien purchasers' failing to respond to payoff requests.

Homeowners regularly report to the Office of the State Tax Sale Ombudsman that lien purchasers do not consistently respond to requests for the payoff amount or respond to requests regarding how to transact the payment promptly. The longer it takes the homeowner to redeem, the more interest and fees the homeowner must ultimately pay to the lien purchaser.

For these reasons, SDAT urges a favorable vote on HB0083.