

- “Tax bill” means the statement of the land taxes and the lien thereon, levied and assessed by any taxing authority; and
- “Tax lien” means the lien of any ad valorem tax bill.

Section 3:

Provides that a county may enforce collection of any tax bill due to the county as provided by HB 245 HCS 1 if brought within 11 years of the date when the taxes became delinquent (KRS 134.546).

Section 4:

Requires the county clerk to file a list of unpaid tax bills with the county treasurer in early July. The list should include among other components a description of the property, the amount due with interest and penalties, and the last person of record in whose name the bills were listed or charged.

Section 5:

For any bill that remains outstanding six months from the date due, the county may file suit in Circuit Court to enforce the tax lien. The lien may be released upon payment inclusive of interest by any interested person or owner. The person wishing the lien to be released is responsible for any court cost incurred.

Section 6:

Provides that any number of properties may be joined in one petition or suit, except parcels with an existing mortgage lien, yet keeps their identity. The Circuit Court clerk shall receive a fee of 50 cents per land parcel.

Sections 7 - 18:

Creates several new sections of KRS Chapter 68 to establish a mass foreclosure process for counties to use in the collection of delinquent tax bills. Provides details for the procedures, petitions, forms, and notices to be used.

Section 19:

Provides for the following fees to be paid to the county by any party that redeems any parcel of real estate from the lien of any tax bill:

- \$1 per parcel for issuance of certificate of redemption
- \$5 per parcel if notice of publication has been commenced; and
- \$5 as an additional charge per parcel, if notice of the commissioner’s sale has been commenced.

Section 20:

Provides that any property of real estate purchased by the county at a commissioner’s sale may be sold, transferred, leased, or otherwise utilized by the county within its sole discretion.

The Kentucky County Clerks' Association and the Kentucky County Attorneys' Association were contacted for feedback.

The fiscal impact of HB 245 HCS 1 on local governments could lead to significant savings per the Kentucky County Attorneys' Association. They believe the bill will provide an opportunity to more efficiently pursue collections of tax bills and other governmental liens that would otherwise be cost prohibitive. The Association does not believe there will be additional costs, only savings.

County clerks expressed concern that compiling the unpaid tax info for the County Treasurer would require a great deal of work especially since the information is currently available online or the County Treasurer can come to the Clerks' office to look at the system for free.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 245 HCS 1 keeps all the provisions of HB 245 as introduced except it excludes parcels with an existing mortgage lien from the parcels that can be joined together in one petition or suit (Section 6).

Data Source(s): LRC Staff

Preparer: Wendell F. Butler (ms) **Reviewer:** KHC **Date:** 1/26/22