

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 7122

BILL NUMBER: HB 1411

NOTE PREPARED: Jan 6, 2026

BILL AMENDED:

SUBJECT: Tax Sale Procedures.

FIRST AUTHOR: Rep. Engleman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill reduces the period to redeem tax sale property as follows:

- (1) For real property sold to a land bank, the redemption period is six months (rather than one year).
- (2) For real property on which the county executive acquires a lien (including an assignment of the lien to a political subdivision or to a land bank) and the certificate of sale is not sold, the redemption period is 90 days (rather than 120 days).
- (3) For real property on which the county executive acquires a lien and the certificate of sale is sold or assigned to a land bank, the redemption period is 90 days (rather than 120 days).
- (4) For real property that a court determines is not suitable for tax sale, the redemption period is 90 days (rather than 120 days).

The bill modifies the length of time in which notice must be provided to: (1) the owner of record; and (2) any person with a substantial interest of public record in the real property; for purposes of seeking a tax deed to account for the reductions to the redemption periods.

For property that a court determines is not suitable for tax sale, the bill provides that if the property is disposed within one year (rather than three years) after the conclusion of the tax sale at which the property would have been offered for sale, any amount received in excess of the amount of the minimum bid will be disbursed in the same manner as if the property had been sold in the tax sale. The bill also makes a related change to the period to make a claim for any surplus in the tax sale surplus fund for properties certified as not suitable for sale.

The bill specifies that a county auditor shall not issue or record a tax deed unless certain requirements are met not later than 90 days (rather than 150 days) after the date of the hearing at which a court grants the tax sale buyer's petition for the tax deed.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill's provisions may result in a temporary minor increase in property tax revenue collections due to the reduction in the amount of time a tax sale property may be redeemed. The actual fiscal impact will vary from county to county and will depend on the number of tax sale properties in a particular county.

State Agencies Affected:

Local Agencies Affected: County treasurers; County auditors; County commissioners; County and Municipal Land Banks.

Information Sources:

Fiscal Analyst: James Johnson, 317-232-9869.