

TESTIMONY ON SB2280

Members of the House Political Subdivisions Committee:

My name is Neal Messer from Dickinson. I am providing testimony to you today in support of Senate Bill 2280. As a little bit of background, I was recently elected in November as a County Commissioner for Stark County. In my "real job", I have been a Realtor for the past 42 years.

Almost immediately upon becoming a commissioner, I was handed a list of about 10-12 properties that Stark County had recently acquired via a tax deed. I was basically told that since I was in the "Real Estate Business" that I would be put in charge to get these properties sold and back on the tax rolls. So I put on my real estate cap on and went out and looked at the properties and immediately came to the conclusion our "Sales Price" i.e. "asking price" was too high on almost every property we acquired via the tax deed process. But since we had already had our "Annual Sale", current law dictates that we must keep our original sales price for the full year until we can reappraise and adjust the sales price later this year.

Under current statute, when a County acquires a property via a tax deed, Century Code dictates the county must attempt to sell the property via an "annual sale", which is held the third Tuesday in November of each calendar year. NDCC 57-28-10 requires the commissioners to appraise the properties and set a minimum sale price at least 30 days prior to the sale. The minimum sale price must be set high enough to cover all taxes, interest, and penalty due against the property and can be set at as high as fair market value. If the property is not sold at the "annual sale", it can be sold at any time during the year, and between "annual sales" but for ONLY the previously established sales price. There are currently NO provisions which allow a commission to revisit and adjust the minimum sales price to correct the sales price or to reflect any changes in market value during the calendar year. The County Commission can ONLY change the sales price once a year, thus severely limiting the commission's ability to sell these properties and return them to the tax rolls in an expeditious manner.

SB 2280 would remedy this by allowing the county commissions more flexibility to more quickly respond to the market. This change in the law would merely allow, (not mandate) the commission to modify the sales price at any time during the calendar year provided they reappraise the property and attempt to sell the property at the reappraised value, subject again to all the regulations and notification requirements that currently apply to the "annual sale." Another reason I feel so strongly about SB2280, is in Stark County we currently have 109 addition parcels that are delinquent for both 2018 and 2019 taxes and now late for the 2020 taxes. While we only expect maybe only 15-20 of those 109 parcels to go through the full tax deed process, we have the potential to get those parcels back as well.

SB 2280 is a straight forward solution that returns control to local county commissions' in the selling and the return of these properties to the tax rolls in a way that is most effective and beneficial to the counties and local tax payers.

Thank you again for allowing me to come before your committee. I can answer any questions you may have on this bill.

Thank you.

