

Written Testimony To
THE HOUSE FINANCE AND TAXATION COMMITTEE
January 20, 2021
By Michael Montplaisir, Cass County Finance Director
Cass County Government

REGARDING HOUSE BILL 1199

Mr. Chairman and members of the House Finance and Taxation Committee, I am Michael Montplaisir, Cass County Finance Director. House Bill 1199 affects the disposition of proceeds of tax sales when the amount received is in excess of the charges against the property. Currently any proceeds in excess of the charges against the property by law is credited to the General Fund of the County.

Much of my testimony on House Bill 1136 applies equally well to House Bill 1199.

The difference in the two bills appears to be that the mortgage holder, lien holder, judgment holder, or other interested party needs to take some action with the court system to have the proceeds deposited with the court instead of returned to the former owner. There is no timeline for the other parties to take court action – do we hold on to the excess funds for a specified period of time?

Again we take property in a tax actions, we are **not** in the business of taking and selling property to make money for the county, we take and sell property to recover taxes and costs that are unpaid by the owner. The loss of any revenue to the county by this change in law is not an overriding concern.

As mentioned in my earlier testimony on HB 1136, In recent years we have seen an increase in the foreclosure of properties where the former owner is deceased. In our 2019 sale, four of the properties sold had deceased owners, in the 2020 sale one of the properties had a deceased owner, no estate was filed in any of these cases. How does a potential heir of these people prove a claim?

A better solution would be for the county to deposit all excess sales revenue with the court and let the legal process sort out who gets the excess funds.

I urge a Do Not Pass on House Bill 1136