

Written Testimony To

THE SENATE FINANCE AND TAXATION COMMITTEE

March 22, 2021

By Michael Montplaisir, Cass County Finance Director

Cass County Government

REGARDING HOUSE BILL 1199

Chairwoman Bell and members of the Senate Finance and Taxation Committee, I am Michael Montplaisir, Cass County Finance Director. I am in support of House Bill 1199 that changes the handling of excess proceeds of tax sales. I do, however, have a couple of suggestions on changes for clarity and to add a timeline on distribution of funds.

The intent of the bill is to first cover the taxes, special assessments, penalty, interest, and costs before distributing fund to the former owner or others. If that is the case, on line 12 of page 1, the word original should be removed. Also, the word “without” on line 12 and line 23 of page one should be replaced with “with”. Line 12 should have the word “interest” added after penalties to be consistent.

Current law allows the county to keep the penalty and interest, in addition to any excess proceeds. The change should require the county to distribute the penalty and interest to all political subdivisions the same as they would be distributed if the property owner paid the tax with penalty and interest.

The other change to consider is adding language to specify when the funds should be paid to the former owner, or other parties. The timeline would need to be included both line 18 of page 1 and line 5 of page 2. Adding the words “within (number of days) after the sale” following the word “order” on line of page 1 and line 5 of page 2 would clarify when it would be appropriate to remit funds to the former owner or other parties.

A preferred solution would be to deposit all excess sales revenue with the court and let all the parties apply to the court for their share of any excess funds.

I urge a Do Pass on House Bill 1199