

**DEPARTMENT OF TAXATION
2026 Fiscal Impact Statement**

1. **Patron** Sam Rasoul
3. **Committee** Senate Finance and Appropriations
4. **Title** Sale of real estate for delinquent taxes;
increases required value

2. **Bill Number** HB 474
House of Origin:
 Introduced
 Substitute
 Engrossed
- Second House:**
 In Committee
 Substitute
 Enrolled

5. Summary/Purpose:

The bill would increase the assessed value of a parcel of land that could be subject to appointment of a special commissioner to convey the real estate to a locality as a result of unpaid real property taxes or liens from \$75,000 to \$125,000.

Under current law, localities are authorized to request that a special commissioner be appointed to convey parcels of land with an assessed value of \$75,000 or less, as a result of unpaid real property taxes or liens.

If enacted during the regular session of the 2026 General Assembly, this bill would become effective July 1, 2026.

6. **Budget amendment necessary:** No.
7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)
8. **Fiscal implications:**

Administrative Costs

This bill may have an unknown impact on local administrative costs. This bill would have no impact on state administrative costs.

Revenue Impact

The bill would have an unknown impact on local revenues. This bill would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No.

11. Other comments:

Background

Localities have a broad array of tools to collect delinquent taxes including collection from the taxpayer's bank account, wages, income tax refunds, suits against the taxpayer personally, and sale of real estate to which the tax lien has attached. When taxes are delinquent on the last day of the year following the two-year anniversary date on which such taxes were due, localities may sell the real estate for the purpose of collecting all delinquent taxes on such property.

In certain instances, localities may petition the circuit court to appoint a special commissioner to convey the tax-delinquent property to the locality in lieu of the sale at public auction. In order to qualify the parcel must:

- Have delinquent real estate taxes or have a lien against the parcel for certain specified reasons;
- Have an assessed value of \$75,000 or less; and
- The taxes or liens, together with penalty and accumulated interest, must exceed 50% of the assessed value of the parcel, or the taxes alone must exceed 25% of the assessed value of the parcel.

Proposal

The bill would increase the assessed value of a parcel of land that could be subject to appointment of a special commissioner to convey the real estate to a locality as a result of unpaid real property taxes or liens from \$75,000 to \$125,000.

If enacted during the regular session of the 2026 General Assembly, this bill would become effective July 1, 2026.

cc : Secretary of Finance

Date: 02/17/2026 KS
HB474FE161