

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1817

**Bill Subtitle: TO AMEND THE LAWS CONCERNING THE REAL PROPERTY TRANSFER TAX;
AND TO CLARIFY THE LAWS CONCERNING THE REAL PROPERTY TRANSFER TAX.**

Basic Change : Sponsors: Representatives Rushing, Gossage

The proposal would amend state law to specifically exempt a nonjudicial foreclosure proceeding to enforce a security interest in real estate from the Real Estate Transfer Tax. Currently, foreclosure proceeds through a judicial proceeding are exempt from taxation. The bill would treat all foreclosures in the same manner.

Revenue Impact :

No Impact to State General revenues

Taxpayer Impact :

The proposal would allow real estate owned by a financial institution to be exempt from real estate transfer tax if sold due to a nonjudicial proceeding.

Resources Required :

None

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Education of the staff and the adoption of rules for this addition would also be necessary.

Legal Analysis :

HB1817 amends § 26-60-102 to extend the exemption from the real property transfer tax to deeds conveyed pursuant to a statutory (non-judicial) foreclosure action. The bill has no Emergency Clause and would therefore become effective 90 days after adjournment of the session.