

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 515** HLS 26RS 853

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|--------------------------------|
| Date: May 12, 2026 | 1:39 PM | Author: MARCELLE |
| Dept./Agy.: Political Subdivisions | | Analyst: Garrett Ordner |
| Subject: Direct Sales of Adjudicated Property | | |

PROPERTY/IMMOVABLE EN SEE FISC NOTE LF RV See Note Page 1 of 1
 Authorizes a political subdivision to sell certain adjudicated property directly to a buyer

Present law authorizes the governing authority of each political subdivision to sell adjudicated property at a public sale to the highest bidder. In connection with these sales, present law gives governing authorities the option to require appraisals and set minimum bids.

Proposed law adds an exception to present law which authorizes the governing authority of a political subdivision to sell adjudicated property with an appraised value of less than \$50,000 directly to a buyer at a fixed price without public bidding, but only if the political subdivision offered the property at a public sale for purchase by the highest bidder within the previous twelve months. Requires that the sale price be established by resolution or ordinance of the governing authority.

| EXPENDITURES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
|---------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |
| REVENUES | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

Proposed law may result in reduced expenditures associated with conducting additional public bidding processes for the sale of adjudicated properties with an appraised value of less than \$50,000 if political subdivisions instead elect to sell them directly after a public bidding process fails to secure a buyer. However, any savings are indeterminable and will depend on the extent to which political subdivisions elect to conduct direct sales of such properties rather than a public bidding process. If direct sale of adjudicated property allows the political subdivision to sell such property more quickly, the political subdivision may also not need to maintain the property as long, leading to additional savings.

REVENUE EXPLANATION

Proposed law may result in indeterminable changes to the amount of revenue received by political subdivisions through sales of adjudicated property. Present law provides that the dispositions of adjudicated property sales by political subdivisions in excess of other liens and costs incurred by the subdivision must be held for one year for the benefit of anyone holding an interest in the property. If no one with such an interest claims the excess, the political subdivision keeps it. To the extent that the direct sale price is below what would have been received through a public bidding process, revenues will decrease. To the extent that the direct sale price is above what would have been received through a public bidding process, revenues will increase.

If proposed law allows political subdivisions to sell such property more quickly than a public bidding process, then adjudicated property may more quickly be acquired by an owner who will pay ad valorem taxes on the property, increasing tax revenue. However, any such increase is indeterminable.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer