

HOUSE RESEARCH

Bill Summary

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Subject: Proceeds from sale of state bond-financed property

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Overview

Under current law, when property acquired partly with state bonds and partly with other money is sold, the proceeds are used first to pay the state the amount of the bond proceeds; and second, to pay any outstanding debt incurred to acquire or better the property. Under current law, any excess is divided between the state and other entities who helped pay for acquisition or betterment, in proportion to the shares contributed.

This bill provides that in determining the relative share contributed by each entity, the amount to be attributed to the owner of the property is the fair market value of the property when the betterment began.