



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature  
First Regular Session

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## **HB 2878: judicial foreclosure; excess proceeds sale**

**Sponsor: Representative Liguori, LD 5**

**Committee on Ways & Means**

### **Overview**

Allows for the purchaser, or their heir or any assignees of a tax lien to include a request to determine if the sale of property to recover excess proceeds is reasonable in an action to foreclose the right to redeem.

### **History**

The action to foreclose the right to redeem is to be filed in the Superior Court of the County the property is located with the County Treasurer named as a party to the action. If any law or court order prohibits the action to foreclose the right to redeem the limitation, between three and ten years after a tax lien is sold, would be extended by 12 months after the termination of the law or court order ([A.R.S. § 42-18201](#)).

### **Provisions**

1. Allows a request to determine if the sale of property to recover excess proceeds is reasonable to be included in the action to foreclose the right to redeem. (Sec. 1)
2. Allows certificate purchase holders to request the court to determine if the sale of property to recover excess proceeds is reasonable. (Sec. 2)
3. Specifies that a request for the court to determine if the sale of property to recover excess proceeds is reasonable must be done any time before the judgement is effective. (Sec. 2)
4. Outlines that unless stated elsewhere, the sale must be less than 60 days after the date of judgement. (Sec. 3)
5. Corrects the statutory reference for the minimum and opening bids. (Sec. 4)
6. Clarifies that to the extent a tax lien is not satisfied, that any liens and encumbrances on the delinquent taxpayer and the delinquent taxpayer's other property are not affected. (Sec. 4)
7. Specifies that any party that is entitled to any amount of proceeds from the sale can start a civil action against the qualified entity for its failure to properly make distributions. (Sec. 6)
8. Makes technical changes. (Sec. 5)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note