

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7399

BILL NUMBER: SB 447

DATE PREPARED: Jan 8, 1999

BILL AMENDED:

SUBJECT: Local government fiscal matters.

FISCAL ANALYST: Bob Sigalow

PHONE NUMBER: 232-9859

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill changes the annual penalty date for delinquent property taxes. It allows the use of recognized express mail carriers for the payment of delinquent property taxes. The bill provides that a claimant for purposes of bulk sales may hold a claim for taxes due. It also provides a specified date for certification of special assessments.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: Currently, a governmental unit cannot be considered a claimant for taxes owed in the case of bulk sales of business inventory. This provision would allow claimant status for governmental units. As a claimant, a governmental unit would have a better chance at collecting all or part of any taxes due. State and local government revenues could increase under this provision.

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, an additional penalty is added on May 10 and November 10 for each year that taxes are delinquent past the initial delinquent year. This bill would change those penalty dates to the day after the property tax due date, which in most cases makes the penalty dates May 11 and November 11. If either due date of May 10 or November 10 falls on a weekend or holiday, then the due date is pushed back to the next business day.

It is possible that under current law, an additional penalty could be added even if the tax is paid by the usual property tax due date. This bill would eliminate that possibility. In doing so, revenue from penalties could be reduced. Penalties are distributed to taxing units along with regular property tax distributions.

The bill would also consider property tax payments as timely paid if the payment is properly addressed and sent through an express parcel carrier by the due date, postage-paid. This provision would have no real fiscal impact.

Under this provision, the county legislative body could establish a date by which certifications of special assessments must be made to the county auditor each year. If no date is established then special assessments would have to be certified by March 1. This provision would help to ensure that the county auditor has all special assessment information in time to prepare and mail tax bills.

State Agencies Affected:

Local Agencies Affected: County treasurers; Local taxing units.

Information Sources: