

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7017
BILL NUMBER: HB 1127

DATE PREPARED: Dec 29, 1999
BILL AMENDED:

SUBJECT: Property tax statements.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a county treasurer to transmit a statement of property taxes to both the taxpayer and any mortgagee maintaining an escrow account on behalf of the taxpayer.

The bill also requires the county treasurer to include the following in a property tax statement: (1) Language stating that the statement serves as a notice of the property taxes to be paid on the taxpayer's behalf if the property taxes are paid by a mortgagee through an escrow account. (2) An itemized listing for each property tax levy, including the amount of the tax rate, the entity levying the tax, and the dollar amount of the tax owed. (3) Information on the manner in which the taxes billed in the statement are to be used.

Effective Date: January 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Current law requires property tax bills to be mailed to the property owner, or in the case of mortgaged property where an escrow account is maintained, to the mortgage company. This bill would require the county treasurer to send a copy of the tax bill to the taxpayer even in cases when the mortgage company receives the billing. The copy sent to the property owner must note that the statement serves as a notice to the owner if the taxes are to be paid on the owner's behalf by the mortgage company.

Some counties already send copies of tax billings to their mortgaged property owners. There would be no fiscal impact to these counties. For those counties that do not presently provide the copy of the billing, there would be an additional expense for printing, preparing, and mailing the statements. According to Census figures, about 62% or 900,000 owner-occupied homes had mortgages in 1990. The actual fiscal impact of

providing copies of the property tax statements depends on the number of property owners with mortgages and on the number of counties that already provide the copy.

Current law allows county treasurers to include an information statement with property tax bills. This bill would require the inclusion of the statement. Some counties already give the taxpayer a statement containing this data. There would be no fiscal impact to these counties. For those counties that do not presently provide this information, there would be an additional expense for preparing and printing the statement. The actual fiscal impact of providing the information statement depends on the number of counties already doing so.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County Treasurers.

Information Sources: U.S. Dept. of Commerce, Bureau of the Census.