



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: **HB 404** HLS 05RS 345
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: May 2, 2005 4:39 PM **Author:** GUILLORY, E.
Dept./Agy.: Tax Collectors **Analyst:** Shawn Dietrich
Subject: Payment of delinquent taxes

TAX/AD VALOREM TAX OR INCREASE LF EX See Note Page 1 of 1
 Allow for the payment of ad valorem taxes over a ten-month period

Purpose of Bill: Current law allows delinquent taxes to be paid in installments. This bill specifies that the taxes may be paid in 10 consecutive monthly installments.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill could increase local governmental expenditures by an indeterminate amount.

Current law allows tax debtors to pay their delinquent taxes in installments; however, these installments cannot prevent a tax sale. Tax collectors are required to seize, advertise, and sell properties with unpaid taxes on or before May 1st of each year, or as soon as possible thereafter. According to a representative of the EBRP Sheriff's Office, most taxpayers either pay their taxes in full when they are due or do not pay their taxes at all. Making payments by installment is not a formal process and is seldom used.

This bill specifies that delinquent taxes may be paid in 10 consecutive monthly installments. If the intent of the bill is to extend the deadline for payment of delinquent taxes prior to a tax sale, thus postponing the date of the sale, the bill could increase the tax collectors' expenditures by an indeterminate amount. The payment process may need to be formalized, there could be additional accounting required, and the tax sale process may need to be changed to accommodate the extended deadline.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

David K. Greer

David K. Greer
Director, Performance Audit