

DEPARTMENT OF TAXATION

2003 Fiscal Impact Statement

1. **Patron** Williams

2. **Bill Number** SB 1227

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Local Taxes: Administrative Fees for
Collection of Delinquent Taxes and Other
Charges

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would authorize localities to increase the fees that may be charged for administrative costs incurred in the collection of delinquent taxes or other delinquent charges. The maximum fee charged to cover administrative costs for delinquent taxes and other charges collected subsequent to the filing of a warrant but prior to judgement would increase from \$20 to \$30. The maximum fee for collection of delinquent taxes and other charges collected subsequent to judgement would increase from \$25 to \$35.

The provisions of this bill would apply to delinquent taxes and other delinquent charges collected on or after July 1, 2003.

6. **Fiscal Impact Estimates are:** Not Available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

This bill would have no impact on state revenues. This bill would result in a small revenue increase for localities that impose the increased fees authorized by this bill.

9. **Specific agency or political subdivisions affected:**

All localities

10. **Technical amendment necessary:** No.

11. **Other comments:**

Current law provides for recovery of administrative costs associated with the collection of delinquent taxes and charges. Localities may impose fees upon each person charged with delinquent taxes or other charges.

The last increase in fees to cover administrative costs was granted twelve years ago in 1991, when the fees for delinquent taxes and other charges collected subsequent to the filing of a warrant but prior to judgement increased from \$10 to \$20, and the fees for collection of delinquent taxes and other charges collected subsequent to judgement increased from \$15 to \$25. This proposed increase in fees reflects the increased costs associated with the collection of delinquent taxes and other charges.

This bill would also remove the “filing of a warrant” requirement, and authorize the treasurer to call upon a person whose taxes or other charges were delinquent, and to collect such taxes and charges by distress, if necessary.

cc : Secretary of Finance

Date: 03/04/03 JEM

Document : S:\2003leg\WorkInProgress\OTPwork\Senate Bills\SB1227FER161.doc