

**DEPARTMENT OF TAXATION
2016 Fiscal Impact Statement**

1. **Patron** Ryan T. McDougale

2. **Bill Number** SB 445

House of Origin:

 Introduced

 Substitute

 Engrossed

3. **Committee** Passed House and Senate

4. **Title** Real Property Tax; Date to Fix Rates

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. Summary/Purpose:

This bill would extend the date on which local governments must set their real property tax rate for taxes due on or before June 30 from April 15 to May 15 of that tax year.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **No Fiscal Impact.** (See Line 8.)

8. **Fiscal implications:**

This bill would have no impact on state or local revenue.

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

All localities

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

11. **Other comments:**

Local Budget Due Dates

Department and agency heads of localities are required to prepare and submit to their local governing bodies an estimate of the amount of money needed during the ensuing fiscal year for their departments or agencies by April 1 of each year. Generally, local governing bodies must approve the budget before July 1, the date on which the fiscal year begins. The law requires that the real property tax rate for taxes due on or before June 30 of each year be fixed on or before April 15 of that tax year. The local governing bodies will generally have from April 1st to June 30th to prepare and approve the locality's budget. Because localities depend upon state-appropriated funds as a major source of revenue, it is difficult for them to prepare a local budget without knowing how much money will be

appropriated to the locality by the General Assembly. Local governing bodies use this information to determine whether an increase in the real property tax is necessary.

Proposal

This bill would extend the date on which local governments must set their real property tax rate for taxes due on or before June 30 from April 15 to May 15.

The effective date of this bill is not specified.

Similar Legislation

House Bill 148 is identical to this bill.

cc : Secretary of Finance

Date: 3/21/2016 KP
DLAS File NameSB445FER161