

DEPARTMENT OF TAXATION

2017 Fiscal Impact Statement

1. **Patron** David B. Albo

3. **Committee** House Finance

4. **Title** Collection of Local Taxes; Period of Delinquency

2. **Bill Number** HB 1488

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would reduce the period of delinquency before which attorneys, sheriffs, or local delinquent tax collectors may be used to collect delinquent local taxes from six months to three months.

The effective date of this bill is not specified.

6. Budget amendment necessary: No.

7. Fiscal Impact Estimates are: Not available. (See Line 8.)

8. Fiscal implications:

The impact of this bill on local revenues is unknown. However, to the extent accelerating the transfer of delinquent bills increases collections, there would be a revenue gain for localities. This bill would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

All localities.

10. Technical amendment necessary: No.

11. Other comments:

Current Law

Under current law, a governing body may appoint or hire, with the approval of the treasurer, one or more attorneys to collect any local taxes or other charges that have been delinquent for six months or more. Any attorney so appointed or hired shall be entitled to exercise the powers conferred by law upon the treasurer for purposes of collecting the taxes or other charges referred to him.

Alternatively, the governing body may place local taxes or other charges that have been delinquent for six months or more in the hands of the sheriff of the county or city for collection, or employ a local delinquent tax collector. Such sheriff or local delinquent tax collector shall be entitled to exercise for the purpose of collecting taxes or other charges referred to him the powers conferred by law upon the treasurer.

Notwithstanding the provisions authorizing a local governing body to employ an attorney, the sheriff, or a local delinquent tax collector to collect taxes that have been delinquent for six months or more, a treasurer may employ the services of private collection agents to assist with the collection of any local taxes that remain delinquent for a period of three months or more with the approval of the local governing body.

Proposed Legislation

This bill would reduce the period of delinquency before which attorneys, sheriffs, or local delinquent tax collectors may be used to collect delinquent local taxes from six months to three months.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 1/14/2017 AM
DLAS File Name: HB1488F161