

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>19-5946/1</b>	<b>Introduction Number</b> <b>SB-926</b>
<b>Description</b> allowing municipalities to enact an ordinance authorizing multiple property tax installments during a public health emergency	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Decrease Costs	
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected	
<input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts	<input checked="" type="checkbox"/> Village <input type="checkbox"/> Others <input checked="" type="checkbox"/> Cities <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
DOR/ Craig Steinfeldt (608) 266-5705	Jamie Adams (608) 266-6785
<b>Date</b>	
4/8/2020	

## Fiscal Estimate Narratives

DOR 4/8/2020

LRB Number	<b>19-5946/1</b>	Introduction Number	<b>SB-926</b>	Estimate Type	<b>Original</b>
<b>Description</b> allowing municipalities to enact an ordinance authorizing multiple property tax installments during a public health emergency					

### Assumptions Used in Arriving at Fiscal Estimate

Current law allows a municipality's governing body to enact an ordinance to allow for the payment of property taxes in three or more installments. However, such an ordinance must be enacted on or before August 15 of the previous year. This bill allows a municipality's governing body to enact such an ordinance during the period covered by the public health emergency declared by executive order 72 on March 12, 2020. The bill also allows such an ordinance to waive or reduce penalties and interest incurred on any late installment.

Generally, a real estate property tax bill is due for payment no later than the following January 31. However, a real property owner may opt to pay his or her bill in installments. In most of the state, property taxes can be paid in 2 installments, due on January 31 and July 31. Some municipalities permit payments in multiple installments, with the final installment due no later than July 31.

In two-installment municipalities, there are multiple property tax settlements. In February, the municipal treasurer pays out for taxes collected in collected in January. For most municipalities, the county assumes the tax roll collection process after the January payment. In August, the county treasurer pays out the remaining amounts due. Unpaid real estate taxes are generally retained by the county for subsequent collection.

The local fiscal estimate is indeterminate and would depend on a municipality adopting a local ordinance with installment payments due after July 31. As of the February settlement, the department estimates approximately \$3.6 billion of the total \$11.6 billion statewide property tax levy remains to be collected. In 2018, municipalities collected \$46.5 million in penalties and interest on property taxes.

### Long-Range Fiscal Implications