

## Fiscal Estimate - 2021 Session

Original    
  Updated    
  Corrected    
  Supplemental

<b>LRB Number</b> 21-1132/1	<b>Introduction Number</b> AB-0001	
<b>Description</b> state government actions to address the COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority		
<b>Fiscal Effect</b>		
<b>State:</b> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <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                 3. <input type="checkbox"/> Increase Revenue                 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs                 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <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> DOR/ Craig Steinfeldt (608) 266-5705	<b>Authorized Signature</b> Ann DeGarmo (608) 266-7179	<b>Date</b> 1/11/2021

## Fiscal Estimate Narratives

DOR 1/11/2021

LRB Number	21-1132/1	Introduction Number	AB-0001	Estimate Type	Original
<b>Description</b> state government actions to address the COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

This estimate pertains only to the provisions of the bill related to waiver of interest on late property tax payments and claims for recovery of unlawful or excessive property taxes.

#### Waiver of Interest on Late Property Tax Payments

Under the bill, any property taxes payable in 2021 that are due after April 1, 2021, local governments would be allowed, after making a general or case-by-case finding of hardship, to waive any interest charges and penalties for a late installment payment, provided that the full amount of the payment is received on or before October 1, 2021. For any property taxes payable in 2021 that are delinquent after October 1, 2021, interest charges and penalties would begin accruing as of October 1, 2021.

The local fiscal effect is based on an indeterminate case-by-case finding of hardship. In 2019, local governments reported penalties and interest totaling \$47.67 million.

#### Claims for Recovery of Unlawful or Excessive Property Taxes

Under the bill, local governments would consider any payment received on or before October 1, 2021, or by an installment date after October 1, 2021, to be timely for the purposes of allowing taxpayers to submit a claim to appeal unlawful or excessive taxes.

There is no fiscal effect since the provision extends the period for claims on unlawful taxes and excessive assessments. In 2019, local governments refunded \$7.01 million in unlawful taxes and excessive assessments.

### Long-Range Fiscal Implications