

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-2480/1</b>	<b>Introduction Number</b> <b>SB-254</b>
<b>Description</b> extension of certain approvals and occupancy permits under the uniform dwelling code, extension of certain approvals that are subject to administrative, judicial, or appellate proceedings, waiver of interest and penalties on late 2021 property tax payments, and waiver of the timely payment requirement for filing certain property tax claims	
<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 checked="" type="checkbox"/> Towns <input checked="" 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> <b>Affected Ch. 20 Appropriations</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>Agency/Prepared By</b> DOR/ Craig Steinfeldt (608) 266-5705	<b>Authorized Signature</b> Ann DeGarmo (608) 266-7179
<b>Date</b> 4/6/2021	

## Fiscal Estimate Narratives

DOR 4/6/2021

LRB Number	<b>21-2480/1</b>	Introduction Number	<b>SB-254</b>	Estimate Type	<b>Original</b>
<b>Description</b> extension of certain approvals and occupancy permits under the uniform dwelling code, extension of certain approvals that are subject to administrative, judicial, or appellate proceedings, waiver of interest and penalties on late 2021 property tax payments, and waiver of the timely payment requirement for filing certain property tax claims					

### Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate pertains to sections administered by the Department of Revenue. The bill allows municipalities to temporarily waive the interest and penalties on late property tax payments and temporarily waives the timely filing requirement for claims to recover property taxes.

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

Similar to current law for property taxes payable in 2020, the bill allows municipalities to waive interest and penalties on late installment payments of property taxes payable in 2021. For an installment payment due after January 1, 2021, that is late, a municipality may waive the interest and penalties if the municipality makes a general or case by case finding of hardship and the total amount due is paid no later than October 1, 2021. A municipality may waive the interest and penalties only if the county first adopts a resolution authorizing the waiver and establishing criteria for determining hardship and the municipality then adopts a similar resolution. Under the bill, interest and penalties will accrue from October 1, 2021, for any property taxes payable in 2021 that are delinquent after that date.

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. For 1,840 municipal filers, preliminary treasurer settlement data indicates that on average 68 percent of 2020-21 taxes have been collected. Local governments may have to issue refunds of interest and penalties since those have already begun accruing.

#### 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