



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1125

PRINTERS NO. 1759

PRIME SPONSOR: Martin

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 1125, Printer's Number 1759, amends the Local Tax Collection Law further providing for discounts, penalties and notice.

ANALYSIS: This legislation provides that a board of directors of a school district may, by a majority vote, adopt a resolution extending the time period for a discount or waive a penalty for failure to make timely payment of any such taxes on real estate for the school year that begins July 1, 2020. Upon adoption, the school board shall immediately deliver the resolution to the tax collector. The tax collector, in conjunction with the school board, shall modify the contents of the late payment notice required under the Local Tax Collection Law and may send an additional notice explaining the provisions of such resolution.

These provisions shall apply to school districts of the first class, school districts in cities of the second class A and all other school districts. The act shall take effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

Under existing law, taxpayers are entitled to a discount of at least 2% when payment in full is made within two months after the date of the tax notice. Additionally, taxpayers who fail to make payment within four months after the date of the tax notice may be charged a maximum penalty of up to 10%. The Independent Fiscal Office's (IFO) *School District Property Forecast*, released in February 2020, estimates current year school district property tax collections of \$14.745 billion in 2020-21 and an additional \$582 million in delinquent property taxes collected in 2020-21. At the discretion of the school board, a reduction in real estate revenues may be realized if the discount period is extended or penalties are waived.

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House Appropriations Committee (R)

DATE: July 14, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.