

**HB 3143 A STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 6/16

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**WHAT THE MEASURE DOES:**

Changes onset of interest accrual date for late property taxes, from November 15th to December 15th. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Property taxes are due in one third installations on November 15th, February 15th, and May 15th of the following year. If not paid on time, fees related to disqualification and special assessment may be charged and interest accrues at the rate of 1 1/3% per month.

Per the Department of Revenue Property Tax Statistics: Based on property values assessed as of January 1, taxes are levied and become a lien on property on July 1. Tax payments are due on November 15 of the same calendar year. Under the partial payment schedule, the first one-third of taxes is due on November 15, the second one-third on February 15, and the remaining one-third on May 15. If the taxpayer makes the full tax payment by November, a discount of 3 percent is allowed; a 2 percent discount is allowed for a two-thirds payment made by November 15. For late payments, interest accrues at a rate of 1.33 percent per month (16 percent annual rate). If taxes remain unpaid after three years from the beginning of delinquency date, counties then initiate property foreclosure proceedings.