Bill as Introduced

2003 SESSION

03-0343
10/01

HOUSE BILL ***625-FN-LOCAL***

AN ACT relative to the interest rate on delinquent property taxes in property redemptions.

SPONSORS: Rep. Bergin, Hills 47

COMMITTEE: Municipal and County Government

ANALYSIS

This bill changes the interest rate charged on property tax payments made in redemption of property with delinquent taxes. The current rate is 18 percent per year.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 625-FN-LOCAL – AS INTRODUCED

03-0343
10/01

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to the interest rate on delinquent property taxes in property redemptions.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Collection of Taxes; Interest Rate; Reference to Local Option Added. Amend RSA 80:32 to read as follows:

80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by paying or tendering to the collector, or in his absence, at his usual place of abode, at any time before a deed thereof is given by the collector, the amount for which the land was sold, with interest at [~~18 percent per annum~~] ***an annual rate equal to the federal prime rate plus 3 percentage points*** upon the whole amount for which the land was sold from the time of sale to the time of payment in full, except that in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be computed on the unpaid balance, together with redemption costs and costs for notifying the mortgagees, if any. In case the tax collector who sold the property in question shall have died, become incapacitated, been removed from office or removed from the town or city or shall have been discharged from his bond by the selectmen or assessors, then the person with the legal interest in redeeming the property may tender such sums to the tax collector then in office of said city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct amount due, the tax collector shall accept said amount for the redemption of the property.

2 Collection of Taxes; Interest Rate; Reference to Local Option Added. Amend RSA 80:37 to read as follows:

80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a county or the state. The purchaser of real estate at any tax sale may pay to the collector any subsequent tax and the collector shall, within 30 days after such payment, notify the register of deeds thereof, giving the date and the amount of such payment and the name of the person so paying together with the date of the tax sale, the name of the person taxed and a description of the property sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall receive $1 for such notice to the register of deeds of the payment of subsequent tax plus $1 to be paid to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall personally, or by certified mail, notify in writing any mortgagee who was notified of his ***or her*** purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his purchase at the tax sale to be included in his costs to be paid by the person making redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent tax and the selectmen direct the

collector of taxes as agent for the town to give notice of payment of a subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the collector shall be paid the sum of $5 for this service. Any amounts so paid on account of subsequent taxes, together with interest thereon at the ***annual*** rate [~~of 18 percent per annum~~] ***equal to the federal prime rate plus 3 percentage points*** from the date of payment shall, in addition to the purchase price at the time of sale with accrued interest and costs, be paid by the person making redemption.

3 Collection of Taxes; Interest Rate; Reference to Local Option Added. Amend RSA 80:69 to read as follows:

80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by the collector, the amount of the real estate lien, with interest at [~~18 percent per annum~~] ***an annual rate equal to the federal prime rate plus 3 percentage points*** upon the whole amount of the recorded lien from the date of execution to the time of payment in full, except that in the case of partial payments in redemption made under RSA 80:71, the interest shall be computed on the unpaid balance, together with redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax collector who executed the tax lien against the property in question shall have died, become incapacitated, been removed from office or removed from the town or city or shall have been discharged from his ***or her*** bond by the selectmen or assessors, then the person with the legal interest in redeeming the property may tender such sums to the tax collector then in office of said city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct amount due, the tax collector shall accept said amount for the redemption of the property.

4 Collection of Taxes; Interest Rate; Reference to Local Option Added. Amend RSA 80:75, III to read as follows:

III. When a municipality is the lienholder and the municipality pays a subsequent tax and the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive the same fees provided for the lienholder for his ***or her*** service. The amount of subsequent taxes paid, together with interest on such taxes at the ***annual*** rate [~~of 18 percent per annum~~] ***equal to the federal prime rate plus 3 percentage points*** from the date of payment shall, in addition to the tax lien amount at the time of execution with interest and costs, be paid by the person making redemption.

5 Effective Date. This act shall take effect April 1, 2004.

LBAO
03-0343
1/27/03

HB 625-FN-LOCAL - FISCAL NOTE

AN ACT relative to the interest rate on delinquent property taxes in property redemptions.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.

Amendments

Rep. Bergin, Hills. 47
March 3, 2003
2003-0462h
10/09

Amendment to HB 625-FN-LOCAL Not Used

Amend the bill by replacing all after the enacting clause with the following:

1 New Paragraph; Commissioner of Revenue Administration; Determination of Interest Rate. Amend RSA 21-J: 3 by inserting after paragraph V the following new paragraph:

V-a. Determine and make available the interest rate for delinquent payment of property taxes as required in RSA 80:32.

2 Collection of Taxes; Redemption; Determination of Interest Rate. Amend RSA 80:32 to read as follows:

80:32 Redemption. Any person with a legal interest in land so sold may redeem the same by paying or tendering to the collector, or in his absence, at his usual place of abode, at any time before a deed thereof is given by the collector, the amount for which the land was sold, with interest at [~~18 percent per annum~~] ***an annual rate to be determined as of July 1 of each year by the commissioner of the department of revenue administration, which shall be equal to the federal prime rate plus 3 percentage points,*** upon the whole amount for which the land was sold from the time of sale to the time of payment in full, except that in the case of partial payments in redemption made under RSA 80:33-a, the interest shall be computed on the unpaid balance, together with redemption costs and costs for notifying the mortgagees, if any. In case the tax collector who sold the property in question shall have died, become incapacitated, been removed from office or removed from the town or city or shall have been discharged from his bond by the selectmen or assessors, then the person with the legal interest in redeeming the property may tender such sums to the tax collector then in office of said city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct amount due, the tax collector shall accept said amount for the redemption of the property.

3 Collection of Taxes; Payment of Subsequent Tax; Determination of Interest Rate. Amend RSA 80:37 to read as follows:

80:37 Payment of Subsequent Tax. For purposes of this section, "subsequent tax" shall mean any tax assessed upon the real estate subsequent to that for which it was sold by a municipality, a county or the state. The purchaser of real estate at any tax sale may pay to the collector any subsequent tax and the collector shall, within 30 days after such payment, notify the register of deeds thereof, giving the date and the amount of such payment and the name of the person so paying

together with the date of the tax sale, the name of the person taxed and a description of the property sold as shown in the report of sale recorded in the registry of deeds. The collector of taxes shall receive $1 for such notice to the register of deeds of the payment of subsequent tax plus $1 to be paid to the register of deeds. The purchaser, within 30 days of payment of the subsequent tax, shall personally, or by certified mail, notify in writing any mortgagee who was notified of his ***or her*** purchase at the tax sale of this payment of the subsequent tax. The purchaser paying the subsequent tax shall receive the same fees prescribed for notifying the mortgagee of his purchase at the tax sale to be included in his costs to be paid by the person making redemption, except that when a town is a purchaser at a tax sale and the town pays a subsequent tax and the selectmen direct the collector of taxes as agent for the town to give notice of payment of a subsequent tax to any mortgagee who was notified of the purchase by the town at the tax sale, the collector shall be paid the sum of $5 for this service. Any amounts so paid on account of subsequent taxes, together with interest thereon at the ***annual*** rate [~~of 18 percent per annum~~] ***equal to the rate determined under RSA 80:32*** from the date of payment shall, in addition to the purchase price at the time of sale with accrued interest and costs, be paid by the person making redemption.

4 Collection of Taxes; Redemption; Determination of Interest Rate. Amend RSA 80:69 to read as follows:

80:69 Redemption. Any person with a legal interest in land subject to a real estate tax lien may redeem the same by paying or tendering to the collector, at any time before a deed thereof is given by the collector, the amount of the real estate lien, with interest at [~~18 percent per annum~~] ***an annual rate equal to the rate determined under RSA 80:32*** upon the whole amount of the recorded lien from the date of execution to the time of payment in full, except that in the case of partial payments in redemption made under RSA 80:71, the interest shall be computed on the unpaid balance, together with redemption costs and costs for identifying and notifying the mortgagees, if any. In case the tax collector who executed the tax lien against the property in question shall have died, become incapacitated, been removed from office or removed from the town or city or shall have been discharged from his ***or her*** bond by the selectmen or assessors, then the person with the legal interest in redeeming the property may tender such sums to the tax collector then in office of said city or town. Upon advice from the selectmen or assessors that the amount tendered is the correct amount due, the tax collector shall accept said amount for the redemption of the property.

5 Collection of Taxes; Subsequent Taxes; Determination of Interest Rate. Amend RSA 80:75, III to read as follows:

III. When a municipality is the lienholder and the municipality pays a subsequent tax and the selectmen direct the collector of taxes, as agent of the municipality, to give such notice of said payment to any owner and to any mortgagee as provided above, the collector of taxes shall receive the same fees provided for the lienholder for his ***or her*** service. The amount of subsequent taxes paid, together with interest on such taxes at the ***annual*** rate [~~of 18 percent per annum~~] ***equal to***

the rate determined under RSA 80:32 from the date of payment shall, in addition to the tax lien amount at the time of execution with interest and costs, be paid by the person making redemption.

6 Effective Date. This act shall take effect April 1, 2004.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 625 FN-L Date 3/4/03

Committee M+CG Re

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Robert Geisel			NHTCA		✓

Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON HB 625-FN-L

BILL TITLE: relative to the interest rate on delinquent property taxes in property redemptions.

DATE: March 4, 2003

LOB ROOM: 301 **Time Public Hearing Called to Order:** 10:34 AM

Time Adjourned: ???

(please circle if present)

Committee Members: Reps. Patten, Brundige, Lockwood, Twombly, Boyce, Dumaine, Stohl, Noyes, Buhlman, Doyle, C. Dunne, Dupuis, Gillick, Gould, M. Pappas, N. Johnson, M. Cooney, Davidson, Osborne, Schmidt and Theberge.

Bill Sponsors: Rep. Bergin, Hills 47

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Bergen, Dist 47
Change in 18% interest rate to reflect current interest rates by using the federal prime rate as a base. May want to change the three percentage points.

Robert Geisel, NH Tax Collectors Association
Opposes the bill. The bill would mean that the tax on a lien would be smaller than the tax on late payments. 18% is not out of line for the tax lien penalty. Laws on the books that allow many means for getting taxes paid.

Gary Bernier, New Hampshire Municipal Association
Mr. Geisel said it all!

Respectfully submitted,

Priscilla P. Lockwood

Priscilla P. Lockwood, Clerk
Muncipal and County Government

Testimony

File HB 625

HOUSE COMMITTEE RESEARCH OFFICE
New Hampshire House of Representatives
4th Floor, Legislative Office Building
Concord, New Hampshire 03301
TDD Access: Relay NH
1-800-735-2964

603-271-3600

TO: Representative Betsey L. Patten, Chairman
House Municipal and County Government Committee

FROM: Nancy LeVinus, Committee Researcher Nancy
House Committee Research Office

DATE: February 26, 2003

RE: **HB 625-FN-LOCAL relative to the interest rate on delinquent property taxes in property redemptions.**

Analysis

The bill makes no mention of RSA 76:13, which stipulates that all taxes, except resident taxes and those otherwise exempted by law, not paid on or before December 1 after their assessment, shall be charged an interest rate of 12%.

The bill only amends the statutory limit on the interest rate charged on property tax payments made in *redemption of property with delinquent taxes*. This rate is currently 18% and the bill would change this to an annual rate equal to the federal prime rate plus 3 percentage points.

As drafted, this bill applies a fixed interest rate to one category of delinquent taxes and applies a floating rate to a different category of delinquent taxes. Without a corresponding change to RSA 76:13, it is also possible that the fixed 12% rate charged to simple late payers may exceed the rate charged in the longer term redemption process due to the floating nature of the latter tax rate. It is assumed that currently, the higher rate charged in the redemption process may in part be designed to discourage situations from progressing to this point. Applying a lower rate *later* in the delinquency process would seem to be contrary to this goal.

Legislative History

Since 1990, 7 different bills have been introduced with provisions changing one or more of the rates relative to delinquent property taxes and subsequent taxes. Two bills passed the Senate and were killed in the House (one by rule governing introduction deadline) and one bill passed the House Municipal and County Government Committee, the full House, and was then killed in the Senate (*1995, HB 368-L). The most recent bills are listed first:

2002

SB 436 allowing municipalities to adopt a lower interest rate charged on property tax payments made for property redemptions.

Summary: The bill allowed a local option for municipalities to adopt a lower rate to be charged on property tax payments made for property redemptions only.

Senate Committee: Ways and Means

Senate Committee Report: OTPA

Senate Action: OTPA report adopted and floor amendment

House Committee: Municipal and County Government

House Committee Report: ITL (14-4)

> Rep. Robert W. Brundige for Municipal and County Government: Currently, property taxes delinquent after 30 days are charged 12% interest, subsequent to the issuance of a lien, the interest charge is 18%. This bill would have given municipalities the option to change the interest rates lower than 18%, but not lower than 7%. This bill was strongly opposed by selectmen and tax collectors throughout the state. Among their concerns were the possibility of multi school districts having different rates, the difficulty of keeping track of varying rates and potential court challenges from one town to another. Additionally the 18% charge barely covers the cost to the towns for processing the collection of the delinquent taxes. Finally, delinquent taxes increase the cost to the other taxpayers who paid on time. The committee agreed with these concerns. Vote 14-4.

House Action: ITL report adopted

2000

HB 1487–FN-L reducing the interest rate on delinquent property tax payments and subsequent tax payments.

Summary: The bill changed the interest rate on delinquent property tax payments and subsequent tax payments to not exceed the 30 year treasury bill rate plus 1 percent as determined by the banking commissioner.

House Committee: Municipal and County Government

House Committee Report: ITL (12-1)

House Action: ITL report adopted (253-64)

1997

HB 801-FN-L changing the interest rate on delinquent property taxes and subsequent taxes.

Summary: The bill changed the interest rate on delinquent property tax payments from 12 percent to 8 percent and changed the interest rate on subsequent tax payments from 18 percent to 12 percent.
House Committee: Regulated Revenues
House Committee Report: ITL (16-1)
House Action: ITL report adopted

***1995**
HB 368-L (New Title) granting municipalities the option to change the interest rate on delinquent property taxes, property redemptions, subsequent property taxes, and certain other delinquent local taxes.
Summary: The bill allowed a local option for municipalities to adopt an alternative tax delinquency schedule consisting of a change in the interest rate on delinquent property tax payments from 12 percent to 2 percent above the prime rate, and a change in the interest rate on property tax redemptions and subsequent tax payments from 18 percent to 4 percent above the prime rate.
House Committee: Municipal and County Government
House Committee Report: OTPA (17-1)

> Rep. Katherine H. Metzger, Vice Chairman, for Municipal and County Government: The Committee agrees with this enabling legislation's intent to respond to the state's fluctuating economy by allowing the municipalities to charge a variable rate on delinquent taxes, 2 percent or 4 percent above prime rate, rather than a fixed 12 percent or 18 percent. Vote 17-1

House Action: OTPA report adopted
Senate Committee: Ways and Means
Senate Committee Report: ITL
Senate Action: ITL report adopted

1994
SB 710-FN-L changing the interest rate on delinquent property taxes and subsequent taxes.
Summary: The bill changed the interest rate on delinquent property tax payments from 12 percent to 10 percent and changed the interest rate on subsequent tax payments from 18 percent to 16 percent.
Senate Committee: Ways and Means
Senate Committee Report: OTPA
Senate Action: OTPA
House Action: Motion to introduce failed to achieve the necessary 2/3 majority (beyond deadline) (168-180)

1993
HB 629-FN-L changing the interest rate on delinquent property taxes and subsequent taxes.
Summary: The bill changed the interest rate on delinquent property tax payments from 12 percent to 3 percentage points above the prime interest rate and changed the interest rate

on subsequent tax payments from 18 percent to 5 percentage points above the prime interest rate.
House Committee: Municipal and County Government
House Committee Report: ITL (17-0)
House Action: Substitute Motion OTP failed (132-225); ITL report adopted

1990
HB 1268-FN relative to the interest rate charged to delinquent property tax payers.
Summary: The bill allowed a local option for municipalities to charge interest at 18 percent on all taxes in excess of $10,000 not paid on or before December 1 after their assessment, and kept the interest rate at 12 percent on taxes amounting to $10,000 or less.
House Committee: Municipal and County Government
House Committee Report: ITL (14-0)
House Action: ITL report adopted

of all uncollected and unredeemed taxes on the property. This summary may be included on or with the tax bill, or may be sent by separate mailing within 90 days of the due date of the final tax bill.

History

Source. 1992, 49:1, eff. June 12, 1992.

76:13 Interest. Interest at 12 percent per annum shall be charged upon all taxes except resident taxes, except as otherwise provided by statute, not paid on or before December 1 after their assessment, which shall be collected from that date with the taxes as incident thereto, except in the case where a tax bill sent to the taxpayer on or after November 2 and before April 1 of the following year interest shall not be charged until 30 days after the bills are mailed. Interest due in an amount up to $25 may be waived by the collector, with the approval and consent of the board of selectmen and the board of assessors, if in the collector's judgment the administrative and collection costs involved do not warrant collection of the amount due. The tax collector shall state on the tax bill the date from which interest will be charged and such date shall be determined by the day the collector sends out the last tax bill on the list. The collector shall notify the board of tax and land appeals in writing of the date on which the last tax bill was sent.

History

Source. 1860, 2373. 1861, 2491. GS 53:9. 1872, 42:1. GL 57:9. PS 59:8. PL 64:11. RL 77:11. 1943, 55:1. 1949, 61:1. RSA 76:13. 1965, 81:1. 1969, 206:1. 1970, 30:1. 1973, 486:4; 544:8. 1977, 354:1. 1981, 465:14. 1989, 39:1. 1991, 54:1, eff. April 1, 1992; 306:9, eff. at 12:01 a.m., April 1, 1992. 2001, 63:1, eff. April 1, 2001.

Amendments—2001. Substituted "in an amount up to $25" for "that amounts to less than $5", substituted "the collector's" for "his" in the second sentence and substituted "the list" for "his list" in the third sentence.

Amendments—1991. Chapter 54:1 inserted "except as otherwise provided by statute" preceding "not paid" in the first sentence.

Chapter 306 substituted "board of tax and land appeals" for "commissioner of revenue administration" preceding "in writing" in the fourth sentence.

76:13–b Limitations on Interest When Tax Relief is Granted. Notwithstanding any provisions of RSA 76:13 or 76:15–a or 76:15–b to the contrary:

Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on HB 625

BILL TITLE: **relative to the interest rate on delinquent property taxes in property redemptions.**

DATE: March 18, 2003

LOB ROOM: 301

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, (ITL) Interim Study (Please circle one.)

Moved by Rep. Brundige

Seconded by Rep. Twombly

Vote: 11-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 11-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Jean-Guy J. Bergeron, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

MUNICIPAL AND COUNTY GOVERNMENT

Bill #: HB 625 **Title:** Interest rate on delinquent property taxes

PH Date: 3/4/03 **Exec Session Date:** 3/18/03

Motion: ITL **Amendment #:**

MEMBER	YEAS	NAYS
Patten. Betsey L. Chairman	11	
Brundige. Robert W. V Chairman	1	
Lockwood. Priscilla P	2	
Twomblv. James E	3	
Bovce. Laurie J	absent	
Dumaine. Dudlev Daniels	absent	
Pappas. Marc	4	
Dunne. Christopher H	absent	
Stohl. Eric G	5	
Noves. Richard A	absent	
Buhlman. David L	absent	
Dovle. Christopher L	absent	
Dupuis. Roland L	absent	
Gillick. Thomas J	absent	
Gould. Kenneth H	6	
Johnson. Nancv K	absent	
Coonev. Marv R	absent	
Davidson. Robert A	absent	
Osborne. Jessie L	7	
Schmidt. Peter B	8	
Theberge. Robert L	9	
Thomas, John	10	
TOTAL VOTE:	11	0

Printed: 1/6/2003

Committee Report

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 625-FN-L**

TITLE: relative to the interest rate on delinquent property taxes in property redemptions.

DATE: March 18, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill would lower the interest rate on property tax liens from 18 percent to the annual rate equal to the federal prime rate plus 3 percent. Testimony was received that the tax on a lien would be smaller than the tax on late payments.eighteen percent is not out of line for the tax lien penalty, since it barely covers the cost for processing the collection of the delinquent taxes. Delinquent taxes increase the cost to the other taxpayer who pay on time. The committee agreed with these concerns.

Vote 11-0.

Rep. Robert W. Brundige
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Municipal and County Government

HB 625-FN-L, relative to the interest rate on delinquent property taxes in property redemptions. **INEXPEDIENT TO LEGISLATE**

Rep. Robert W. Brundige for Municipal and County Government: This bill would lower the interest rate on property tax liens from 18 percent to the annual rate equal to the federal prime rate plus 3 percent. Testimony was received that the tax on a lien would be smaller than the tax on late payments.eighteen percent is not out of line for the tax lien penalty, since it barely covers the cost for processing the collection of the delinquent taxes. Delinquent taxes increase the cost to the other taxpayer who pay on time. The committee agreed with these concerns. **Vote 11-0.**

COMMITTEE REPORT

COMMITTEE: **Municipal and County Government**

BILL NUMBER: **HB 625-FN-L**

TITLE: relative to the interest rate on delinquent property taxes in property redemptions.

DATE: March 18, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill would lower the interest rate on property tax liens from 18 percent to the annual rate equal to the federal prime rate plus 3 percent. Testimony was received that the tax on a lien would be smaller than the tax on late payments. 18 percent is not out of line for the tax lien penalty, since it barely covers the cost for processing the collection of the delinquent taxes. Delinquent taxes increase the cost to the other taxpayer who ~~paid~~ pay on time. The committee agreed with these concerns.

Eighteen

Vote 11-0.

Rep. Robert W. Brundige
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

HB 625 FN-L

RELATIVE TO THE INTEREST RATE ON DELINQUENT PROPERTY TAXES IN PROPERTY REDEMPTIONS

ITL - 11-0

THIS BILL WOULD LOWER THE INTEREST RATE ON PROPERTY TAX LIENS FROM 18 PERCENT TO THE ANNUAL RATE EQUAL TO THE FEDERAL PRIME RATE PLUS 3 PERCENT. TESTIMONY WAS RECEIVED THAT THE TAX ~~WOULD BE~~ ON A LIEN WOULD BE SMALLER THAN THE TAX ON LATE PAYMENTS. 18 PERCENT IS NOT OUT OF LINE FOR THE TAX LIEN PENALTY, IT BARELY COVERS THE COST FOR PROCESSING THE COLLECTION OF THE DELINQUENT TAXES. ~~CONTINUITY~~ DELINQUENT TAXES INCREASE THE COST TO THE OTHER TAXPAYER WHO PAID ON TIME. THE COMMITTEE

AGREED WITH THESE CONCERNS,
VOTE 11-0

Robert W Burns