

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/SB 1580

INTRODUCER: Finance and Tax Committee and Senator Ring

SUBJECT: Partial Tax Payments

DATE: April 17, 2009 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Murphy</u>	<u>Yeatman</u>	<u>CA</u>	Fav/1 amendment
2.	<u>Fournier</u>	<u>McKee</u>	<u>FT</u>	Fav/CS
3.	<u>Blizzard</u>	<u>DeLoach</u>	<u>GA</u>	Favorable
4.	<u>Fournier</u>	<u>Kelly</u>	<u>WPSC</u>	Pre-meeting
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill allows a tax collector to accept one or more partial payments for property taxes, and provides for a processing fee, a notice of the outstanding tax liability, and for pro rata distribution of the partial payment among taxing authorities. It is expected to have no effect on state or local revenue.

This bill substantially amends section 197.343, Florida Statutes.

This bill creates an unnumbered section of Florida Statutes.

II. Present Situation:

Article VIII, s. 1(d) of the State Constitution provides that the electors of each county shall elect a sheriff, a tax collector, a property appraiser, a supervisor of elections, and a clerk of the circuit court. These county officers are elected for four-year terms. Any county officer may be chosen by another manner, or the office may be abolished altogether, when provided by a county charter or special law approved by the vote of the electors.

The tax collector's duties, as described in s. 197.332, F.S., are to collect all taxes as shown on the tax roll by the date of delinquency or to collect delinquent taxes, interest, and costs, by sale of tax certificates on real property and by seizure and sale of personal property. As provided in s. 195.087, F.S., the budget for the tax collector's office must be approved by the Department of Revenue as "adequate to carry on the work of the tax collector." The board of each county must advertise and adopt the budgets for the county officers, including the tax collector, as provided in s. 129.03, F.S.

Section 197.322(3), F.S., requires the tax collector, within 20 working days after receiving the certified property tax roll, to mail to each taxpayer appearing on the tax roll a notice stating the amount of current taxes due and, if applicable, the fact that back taxes remain unpaid and advising the taxpayer of the discounts allowed for early payment.

Section 197.162, F.S., provides a discount of four percent for payments in the month of November or within 30 days after mailing the original tax notice; three percent in the following month of December; two percent in the following month of January, one percent in the following month of February, and no discount in the following month of March. Taxes are delinquent after April 1.

Section 197.172, F.S., provides that the interest rate on real property taxes from the date of delinquency until a certificate is sold is 18 percent per year, but that the minimum charge for delinquent taxes is three percent. During the 60-day period from the date of delinquency, no interest or other mandatory charge is levied in addition to the three percent minimum charge.

Section 197.222, F.S., provides a method for prepayment of estimated taxes by installments. A taxpayer may elect to prepay by installments and shall make payments based on an estimated tax equal to the actual taxes levied on the property in the previous year. The taxpayer may apply before May 1 of the year in which the installment payments will be made. The first payment of one-quarter of the total amount of estimated taxes is due by June 30, and this payment shall be granted a six percent discount. The tax collector may accept a payment up to 30 days late, but the late payment must be accompanied by a late penalty of five percent of the installment due. The second installment is due September 30 and is granted a 4.5 percent discount. The third installment, equal to one-quarter of the estimated taxes plus one-half of any adjustment based on the actual tax liability, is due December 31 and shall be granted a three percent discount. The fourth payment of one-quarter of the estimated taxes plus one-half of any adjustment based on the actual tax liability is due March 31.

Section 197.373, F.S., provides that a tax collector of a county may allow partial payment of a tax notice if the part to be paid can be ascertained by legal description, such part is under contract for sale or has been transferred to a new owner, and the request is made by the person purchasing the property or the new owner or someone speaking on behalf of the purchaser or owner. This request must be made within 15 days prior to the sale of a tax certificate and, once requested, the property appraiser must request the tax collector to apportion the property into the parts sought to be paid.

III. Effect of Proposed Changes:

Section 1 creates an unnumbered section of Florida Statutes to authorize a tax collector to accept one or more partial payment of any amount per parcel for payment of current property taxes and assessments. The partial payment must be made before the date of delinquency and the remaining amount must be paid in full by the delinquency date. A partial payment is not eligible for any early-payment discount. A \$10 processing fee is deducted from each partial payment and paid to the tax collector, who must send at least one notice of the balance due to the taxpayer.

Any remaining balance that is not timely paid becomes delinquent and is handled like any other delinquent tax payment, but the tax collector has the discretion to deem an underpayment of less than \$10 a payment in full. A partial payment is distributed pro rata among all applicable taxing districts and levying authorities.

Section 2 amends s. 197.343, F.S., to clarify that the additional tax notice shall be mailed by April 30 to each taxpayer whose payment has not been received. The notice will state that if the taxes on the property are not paid in full, a tax certificate will be sold for the delinquent taxes.

Section 3 provides an effective date of July 1, 2009.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill authorizes tax collectors to accept one or more partial property tax payments on a parcel of real or tangible personal property.

B. Private Sector Impact:

At his or her discretion, the tax collector may accept a taxpayer's partial payment for property taxes on a parcel of real or tangible personal property.

C. **Government Sector Impact:**

Local governments may receive partial tax payments from taxpayers who would not otherwise pay the full amount of taxes due.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax Committee on March 26, 2009:

The committee substitute authorizes all tax collectors to accept partial payments of property taxes and provides for processing fees, notices of taxes due, and directs the tax collector to distribute the partial payment proportionately to applicable taxing districts. It is not limited to charter counties and does not change the minimum interest charges on delinquent taxes from the date of delinquency until a tax certificate is sold.

- B. **Amendments:**

None.