

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 15B CS Ad Valorem Property Tax Payment Discounts  
**SPONSOR(S):** Hasner and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 10B

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax Committee	9 Y, 0 N	Monroe	Diez-Arguelles
2) Fiscal Council	20 Y, 0 N, w/CS	Monroe	Kelly
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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### SUMMARY ANALYSIS

Under current law, property taxes are due and payable in November and are delinquent on April 1<sup>st</sup> of the following year. Taxpayers are given an early payment discount on their property tax bills depending upon when the payment is made. Under this bill, a county which was declared a major disaster area approved for individual assistance by the President of the United States may, by emergency ordinance, authorize any or all of the following discount periods:

- Four percent for taxes paid by January 31, 2006,
- Three percent for taxes paid by February 28, 2006, and
- Two percent for taxes paid by March 31, 2006.

The tax collector is directed to implement any discount periods so authorized.

These discount periods will not apply to payments made on behalf of taxpayers by “the holder or mortgagee of an unsatisfied mortgage, lienholder, or vendee under a contract for deed.”

The bill also provides that there is no requirement to mail out new tax notices if the tax notices have been mailed before the adoption of these discount periods. Instead, a notice published in a local newspaper and posted in the offices of the tax collector shall be deemed sufficient notice.

This bill takes effect upon becoming law and is repealed on April 1, 2006.

The fiscal impact of this bill is limited to local governments and is indeterminate.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Lower Taxes – by allowing counties to extend the discount periods this bill could result in some taxpayers paying less in property taxes.

#### B. EFFECT OF PROPOSED CHANGES:

Under current law, property taxes are due and payable in November and are delinquent on April 1st of the following year. Taxpayers are given an early payment discount on their property tax bills depending upon when the payment is made. Section 197.162, F.S., specifies that the discount is four percent for payments made in November or within 30 days of the mailing of the tax bills, three percent for payments made in December, two percent for payments made in January and one percent for payments made in February. Payments made in March or within 30 days of the date of delinquency receive no discount.

Under this bill, a county which was declared a major disaster area approved for individual assistance by the President of the United States because of a 2005 may, by emergency ordinance, authorize any or all of the following discount periods:

- Four percent for taxes paid by January 31, 2006,
- Three percent for taxes paid by February 28, 2006, and
- Two percent for taxes paid by March 31, 2006.

The tax collector is directed to implement any discount periods so authorized.

These discount periods will not apply to payments made on behalf of taxpayers by “the holder or mortgagee of an unsatisfied mortgage, lienholder, or vendee under a contract for deed.”

The bill also provides that there is no requirement to mail out new tax notices if the tax notices have been mailed before the adoption of these discount periods. Instead, a notice published in a local newspaper and posted in the offices of the tax collector shall be deemed sufficient notice.

This bill takes effect upon becoming law and is repealed on April 1, 2006.

#### C. SECTION DIRECTORY:

Section 1 provides for additional or extended discount periods to be authorized by certain counties, instructs the tax collector to implement any discount so authorized, specifies that publication in a local newspaper and posting in the office of the tax collector shall be sufficient notice of the discount, and that the act shall be repealed on April 1, 2006.

Section 2 specifies that the act shall take effect upon becoming law.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None.

2. Expenditures:  
None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Indeterminate. Because the discount periods provided for in this bill are only available if a county chooses to enact them, the fiscal impact of this legislation is impossible to predict. However, if all counties which have already been declared disaster areas and approved for individual assistance were to implement the discount periods to their fullest extent, the revenue estimating conference has estimated the fiscal impact would be \$46.9 million.

2. Expenditures:  
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the extent the some taxpayers may receive a greater discount than they would otherwise have been eligible for, this bill will reduce taxes.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:  
None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On December 6, 2005, the Fiscal Council adopted one amendment to the bill and passed the bill as a committee substitute. That amendment substantially changed the language of the bill to mirror the language of Senate Bill 10B. The primary differences between the bill as filed and the committee substitute are:

- The original bill limited these discounts to counties which were declared a disaster area due to a 2005 named storm. The committee substitute makes these discounts available to any county which is declared a disaster area approved for individual assistance.
- The committee substitute provides that the county adopt these discounts by emergency ordinance. The original bill did not specify how the discounts should be adopted.
- The committee substitute states that the discounts are not applicable to payments made on behalf of taxpayers by “the holder or mortgagee of an unsatisfied mortgage, lienholder, or vendee under a contract for deed” while the original bill used the term “financial institutions”.
- The committee substitute specifies that the tax collector shall implement any discount period authorized by the county.
- The committee substitute states that if the discount is adopted after the tax notices have been mailed no additional direct mail notice is necessary. Instead, notice published in a local newspaper and posted in the offices of the tax collector shall be deemed sufficient.
- The committee substitute also includes a sunset provision which repeals the bill on April 1, 2006.