

HCS HB 3381 -- PENALTIES ON DELINQUENT PROPERTY TAXES

SPONSOR: Meirath

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Intergovernmental Affairs by a vote of 12 to 0.

The following is a summary of the House Committee Substitute for HB 3381.

This bill allows the governing bodies of counties to, by order or ordinance, prohibit the collection of any late fees or penalties on delinquent property taxes. The order or ordinance can prohibit the collection only in unusual circumstances or circumstances beyond the taxpayer's control.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that state law has created a due process issue for the county. About a dozen times a year, situations arise that aren't a person's fault, and the commissioners don't have the opportunity to waive penalties, because State law says you can only waive where an issue is the fault of the county. There was an individual who had paid by mail, and the check was stolen from her mailbox. Another person was hospitalized with cancer for the payment period. Last year, Clay County would have waived penalties for four or five people.

Testifying in person for the bill were Representative Meirath; Arnie Dienoff; and Jay Johnson.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the County Employees' Retirement Fund's primary funding source is employee contributions, which far outpaces the fees, but the fees are a consistent portion of the budget. The reason this was done was that many counties couldn't afford to join LAGERS. This is the pension for everyone else. A few dollars of lots of local fees goes to this. At the time, it was logical to say bad actions should have penalties, and it's reasonable for those penalties to fund good things. This treats all people the same as bad actors. The criteria should be specified as to when to waive the penalty. The system is set up so that each entity in the county makes small steady contributions.

Testifying in person on the bill was the County Employee Retirement Fund.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.