

HB 204 WOULD FORCE LOCAL GOVERNMENTS TO RAISE FEES OR SHIFT MORE FEES TO PROPERTY TAXES

HB 204 provides that “**No property tax bill ... shall include any nontax related fees or assessments....** Any collection and payment of such nontax related fees or assessments shall be addressed in separate billings”, although separate billings may be placed in the same mailing

- *Author’s stated concern: property owners may lose their property because of liens for failure to pay fees*
 - However, property cannot be liened for nonpayment of a fee unless such a lien is authorized by law – simply placing a fee on a tax bill does not authorize placing a lien for such fees
 - No examples have been found (or identified by the author) of a property owner losing his/her property for nonpayment of a fee
 - ACCG is not opposed to that portion of HB 204 that would require partial payments to first be applied to property taxes; ACCG has offered an amendment that includes that requirement, while maintaining local flexibility for billing fees
- *Author’s stated concern: property owners may be improperly deducting fees on their income tax returns*
 - Even if that is the case – and no analysis has been provided -- local governments should not be required to ensure that citizens are properly following state income tax laws – this is a function of the Dept. of Revenue

Other Facts and Concerns:

- At least 58 counties currently place one or more fees/assessments on tax bills, such as fees/assessments for sanitation, stormwater, streetlights, fire, ambulance, indigent care, and nuisance abatement
- Separate billing will result in higher administrative costs, even if multiple bills are placed in one mailing; multiple bills will cause citizen confusion
- Experience of local governments has shown that removing fees from property tax bills causes collection rates to drop from the **90+%** range to the **70-80%** range
 - As an example, the Georgia Association of Water Professionals projects loss of **\$4.37M** statewide due to removal of stormwater fees from tax bills and resulting lower collection rates
- Some counties may have other ways to increase collection of fees – for example, a county that provides water service can cut off service if stormwater fees on that bill are not paid. However, a county that does

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not provide water service does not have that option, and is not going to sue citizens for each unpaid stormwater fee. Such counties will be faced with alternatives that are not pro-citizen:

- Fees could be raised to make up for uncollected fees, punishing those who do pay their bills
- Fees could be discontinued and the service added to the property tax millage rate – meaning that
1) lack of payment could result in a property tax lien and 2) the cost of a service would no longer be paid in proportion to use of the service
- The decision on whether to place fees on tax bills should be left to local governments and their citizens