



BACKGROUND

At least 50 counties currently place one or more fees on property tax bills for services such as sanitation, stormwater, streetlights, fire, ambulance, indigent care, and nuisance abatement. Having the option to collect fees on the property tax bill ensures that the fees can be collected efficiently. Experience of local governments has shown that removing fees from property tax bills causes collection rates to drop from the more than 90 percent range to the 70-80 percent range.

COUNTY INTEREST

Local elected officials and their citizens should control the substance of what will or will not be placed on a local property tax bill. The potential use of fees allows county governments to pay for some services in a manner that more closely approximates the users' demand and usage of the service. Most of those services could be paid for through property tax but the financial burden could only be distributed based upon the value and taxability of a person's property. Charging a fee for a service allows the costs for that service to be spread more equitably. The charging of fees for particular services, through the creation of special districts or otherwise, has long been an appropriate legal manner to fairly distribute costs for services to specific users of a provided service. To make fees a viable option to the property tax, they must be easy to administer and collect. ACCG asks the General Assembly to protect this important local tool for charging a fee for service as an option in place of the property tax.

STATUS

During the previous legislative session, bills were introduced to prohibit local governments from placing non-tax related fees or assessments on property tax bills.

TALKING POINTS

- The decision on whether to place fees on tax bills should be left to local governments and their citizens.
- Separate billing, if mandated by the state, will result in higher administrative costs, even if multiple bills are placed in one mailing; multiple bills will cause citizen confusion.
- If collection rates were to decrease, 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

