

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 220

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**Version:** As introduced

**Authors:** Solberg and others

**Subject:** Distribution of property tax penalties and interest

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**1 Distribution of property tax penalties and interest.** Modifies the distribution of property tax penalties and interest.

Under current law, 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school districts within the county.

H.F. 220 distributes the penalties and interest to the taxing jurisdictions which levied the taxes on the property, in the same proportion as each taxing jurisdiction's levy for taxes payable in the year the penalties and interest are collected is to the total levy of all taxing jurisdictions for taxes payable in the year the penalties and interest are collected. For example, if the city's levy was 20 percent of the total levy of all jurisdictions for the year the penalties and interest are collected, the city would receive 20 percent of the total amount of the penalties and interest.

Prior to a 1989 law change, there was one provision which distributed a proportion of the penalties and interest to cities and another provision which distributed it only to school districts and counties. The resulting 1989 law provided that only school districts and counties receive the monies.

**2 Effective date.** Provides that section 1 is effective for penalties and interest on property taxes collected after June 30, 1999.