

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3440      **DATE:** April 13, 2010  
**Version:** Delete everything amendment (H3440DE1)  
**Authors:** Dittrich and others  
**Subject:** Expanding the method of payment of property taxes  
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### Overview

H.F. 3440 expands the method of payment of property taxes by allowing the county board, by resolution, to authorize the county treasurer to accept electronic payments. Also provides that the charges for dishonored payment of property taxes may be added to the tax and shall constitute a lien in the same manner as property taxes.

#### Section

**1**      **Treasurer to be collector.** Expands the method of payment of property taxes by allowing the county board, by resolution, to authorize the county treasurer to accept electronic payments, including, but not limited to automated clearing house transactions and federal wires. Also provides that all charges for dishonored payment of property taxes may be added to the tax, shall constitute a lien on the property, and when collected, shall be distributed to the county.

Under current law, the county board may by resolution authorize the county treasurer to accept payments of real property by credit card provided that a fee is charged for its use (this charge is imposed and collected by the credit card company). The counties receive the full amount of the taxpayer's payment under this method. H.F. 3440 does not alter this method of payment.

Another form of payment currently allowed is by check. If there are insufficient funds, the check is returned and the county is allowed to impose a charge. This dishonored check charge is in addition to any fees the taxpayer may be charged by the bank. This amount must be handled separately from the property tax amount. H.F. 3440 does not impose any additional charges, but it attempts to improve the county's efficiency in tax collection by allowing it to add these amounts to the tax, and include it as part of the lien. When the taxes and charges are collected, the amount of the charge will be distributed to the county.

The county board is not mandated to make these changes. If the county so chooses, they

may by resolution authorize the county treasurer to accept these other forms of payment.

Effective for property taxes payable in 2011 and thereafter.

- 2 **Payment of delinquent property taxes, special assessments.** Allows delinquent property taxes and special assessments to be paid by electronic means (the same as in section 1).

Effective for property taxes payable in 2011 and thereafter.