

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6188**

**BILL NUMBER:** SB 195

**NOTE PREPARED:** Feb 2, 2021

**BILL AMENDED:** Jan 28, 2021

**SUBJECT:** Proof of Mailing Date.

**FIRST AUTHOR:** Sen. Raatz

**FIRST SPONSOR:** Rep. Barrett

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that payment mailed to the county treasurer with metered postage is timely received if:

- (1) the envelope is properly addressed to the principal office of the county treasurer;
- (2) the envelope has sufficient metered postage from a meter postage provider approved by the United States Postal Service (USPS);
- (3) the metered postage is affixed to the envelope and bears the actual date of when it was affixed and that date is on or before the due date; and
- (4) the envelope is received by the county treasurer not later than five days after the due date.

The bill provides that a taxpayer is subject to a penalty of 5% of the amount of delinquent taxes if a payment to the county treasurer is:

- (1) mailed or deposited with a parcel carrier by the thirtieth day after the due date (the initial penalty period) and the postmark, certificate of delivery, or other evidence indicates the date of the mailing or deposit; or
- (2) mailed and affixed with a metered postage stamp indicating a date not later than the thirtieth day after the due date and the payment is received by the county treasurer not later than five days after the thirtieth day after the due date.

The bill also provides that if a payment is mailed and received not later than 30 days after the due date without a legible post mark, the person is considered to have made the payment by the thirtieth day after the due date, if the person can show by reasonable evidence that the payment was timely mailed. It provides that if a payment is mailed or sent by parcel carrier but not received by the thirtieth day after the due date, the person is considered to have made the payment by the thirtieth day after the due date, if the person can show

by reasonable evidence that the payment was timely mailed and makes a duplicate payment within 30 days after the person is notified that the payment was not received.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Local revenue could be reduced by an unknown, but most likely minimal, amount under this bill. Revenue from late payment penalties is distributed to civil taxing units and school corporations in the same manner as are property taxes.

Property tax payments are normally due on May 10 and November 10. Payments are considered to have been paid by the due date if postmarked by the USPS as mailed on or before the due date. Under current law, a date printed by a postage meter is not considered to be a postmark date.

Under the bill, in an instance where a payment is received within five days after the due date but has a timely mail date printed by a postage meter, the payment will be deemed as paid by the due date, and the taxpayer will not be penalized.

Also under the bill, in an instance where a payment is received within thirty-five days after the due date but has a mail date printed by a postage meter that is within 30 days after the due date, the payment will be deemed as paid during the initial penalty period, and the taxpayer will be subject to a 5% penalty, assuming there are no other outstanding payments.

*Additional Information:* Under current law, if an installment of real or personal property taxes is not completely paid on or before the due date, a 5% penalty is added to the unpaid portion in the year of the initial delinquency if (1) the bill is fully paid within 30 days after the due date, and (2) the taxpayer is not liable for delinquent property taxes in a previous year for the same parcel (in the case of real property), or in the same taxing district (in the case of personal property). After 30 days, or if the taxpayer has delinquencies for a prior year, the penalty increases to 10%.

**State Agencies Affected:**

**Local Agencies Affected:** County treasurers; Local civil taxing units and school corporations.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.