

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 464 - SB 638

March 7, 2011

SUMMARY OF BILL: Authorizes local governments to reject a taxpayer's disputed portion of property taxes while appeals are pending. Authorizes postponement of the accrual of delinquency penalty and interest until 30 days after the issuance of the final assessment certificate of the State Board of Equalization until the tax is paid.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Comptroller, there are approximately 2,500 property tax appeals each year.
- According to the Comptroller, there are fewer than 10 dismissals each year. The interest rate paid by local governments for refunds is Prime minus two. Currently, the rate is 1.25 percent. Local governments will continue to require payments during the appeals process, as the interest paid by local governments for any property tax refunds are not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "James W. White".

James W. White, Executive Director

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