



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0066
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Title:	Allow for electronic service of notices of levy and writs of execution
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Primary Sponsor:	Hoven, Brian
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Status:	As Introduced
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| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$67,625	(\$12,500)	(\$12,688)	(\$12,878)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$67,625)</u>	<u>\$12,500</u>	<u>\$12,688</u>	<u>\$12,878</u>

Description of fiscal impact This bill would allow the Department of Revenue to issue a notice of levy for collection of delinquent taxes electronically. It also would allow the department to receive a levy against state tax refunds electronically. The costs of implementing electronic notification and resulting cost savings are expected to be small. Increases in collections of delinquent taxes also are expected to be small.

FISCAL ANALYSIS

Assumptions:

- Under current law, a notice of a levy for delinquent taxes against a taxpayer's assets or income is to be served by certified letter. This bill would allow the department to serve a notice of levy electronically if the recipient, usually an employer or financial institution, provides written consent. This bill would also allow the department to accept electronic notices of levies against tax refunds.
- Serving levy notices by certified letter gives delinquent taxpayers several days to move assets, for example by withdrawing funds from a bank account. Serving levy notices electronically will reduce this time, which may allow the department to collect more delinquent taxes. However, any increase in revenue is expected to be small.

3. Modifications to the department’s data processing system to generate electronic levy notices would be made by the vendor or by department employees working overtime at a cost of \$77,000 in FY 2014.
4. Assuming that the department is able to serve half of notices of levy electronically, filing levy notices electronically rather than by certified letter would reduce the department’s mailing costs by about \$12,500 annually. This bill would be effective October 1, 2013, so cost savings in FY 2014 would be for only three-fourths of a year, or \$9,375.
5. An inflation factor of 1.5% per year is applied to the 2017 biennium.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$67,625	(\$12,500)	(\$12,688)	(\$12,878)
TOTAL Expenditures	<u>\$67,625</u>	<u>(\$12,500)</u>	<u>(\$12,688)</u>	<u>(\$12,878)</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$67,625	(\$12,500)	(\$12,688)	(\$12,878)
TOTAL Funding of Exp.	<u>\$67,625</u>	<u>(\$12,500)</u>	<u>(\$12,688)</u>	<u>(\$12,878)</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$67,625)	\$12,500	\$12,688	\$12,878

Sponsor’s Initials

Date

Budget Director’s Initials

Date