

DEPARTMENT OF TAXATION

2006 Fiscal Impact Statement

1. **Patron** Mark R. Herring

2. **Bill Number** SB 731

House of Origin:

 Introduced

 Substitute

 Engrossed

3. **Committee** Passed House and Senate

4. **Title** Real Property Tax; Notice of Change
In Assessment

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would require localities to provide the following information to property owners on each notice of change of their real estate assessment: (1) the immediately prior appraised value of the property and (2) the immediately prior assessed value of the property if different from the appraised value. If the tax rate that will apply to the new assessed value has been established, then the notice would need to set out the rate, the total amount of the new tax levy, and the percentage change in the new tax levy from the immediately prior one. If the tax rate that will apply to the new assessed value has not been established, then the notice would need to set out the time and place of the next meeting of the local governing body at which public testimony will be accepted on any real estate tax rate changes. If the meeting will be more than 60 days from the date of the notice, then instead of the date of the meeting, the notice would need to include information on when the date of the meeting will be set and where it will be publicized.

Under current law, each notice of change of real estate assessment must show the new appraised value of the land and improvements and the new assessed value of each if different from the appraised value.

The effective date of this bill is not specified.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

This bill would have no impact on state revenues. As this bill may require localities to modify their notice of change of assessment form, this bill may have an administrative cost to localities.

9. **Specific agency or political subdivisions affected:**

All localities.

10. Technical amendment necessary: No.

11. Other comments:

Notice of Change in Real Property Tax Assessment

Under current law, when a locality reassesses real estate or changes the assessed value of real estate, notice must be given by mail to each property owner whose assessment has been changed. Each notice must show the amount and the new appraised value of land, the new appraised value of improvements, and the new assessed value of each if different from the appraised value.

Proposal

This bill would require localities to provide additional information to property owners on each notice of change of their real estate assessment. Each notice would need to show the immediately prior appraised value of the land and improvements and the immediately prior assessed value of each if different from the appraised value. If the tax rate that will apply to the new assessed value has been established, then the notice would need to set out the rate, the total amount of the new tax levy, and the percentage change in the new tax levy from the immediately prior one. If the tax rate that will apply to the new assessed value has not been established, then the notice would need to set out the time and place of the next meeting of the local governing body at which public testimony will be accepted on any real estate tax rate changes. If the meeting will be more than 60 days from the date of the notice, then instead of the date of the meeting, the notice would need to include information on when the date of the meeting will be set and where it will be publicized.

Other Legislation

House Bill 491 is identical to this bill.

cc : Secretary of Finance

Date: 03/13/2006 JEM