

**DEPARTMENT OF TAXATION  
2007 Fiscal Impact Statement**

**1. Patron** Timothy D. Hugo

**3. Committee** House Finance

**4. Title** Real Property Tax; Provision of Notice to  
Each Real Estate Taxpayer

**2. Bill Number** HB 2127

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would require localities to provide individual notice to each real estate taxpayer of public hearings regarding certain proposed tax rates. The notice would have to be sent in any year in which any annual assessment, biennial assessment, or general reassessment at the current rate would result in an increase of one percent or more in the total real property tax revenue in the following year, and the locality's proposed rate would yield in the forthcoming year more than 101 percent of the total real estate tax revenue received in the prior year.

The individual notice would be required to be sent at least 10 days before the public hearing regarding the proposed tax rate, and would have to include the property owner's current real property tax levy, the real property tax levy at the proposed rate, and two incremental levies for potential rate changes between the current tax rate and the proposed tax rate.

The effective date of this bill is not specified.

**6. No Fiscal Impact or Fiscal Impact Estimates are:** Not available. (See Line 8.)

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

**8. Fiscal implications:**

There would be no state revenue impact associated with this bill.

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

All localities.

**10. Technical amendment necessary:** No.

## 11. Other comments:

### Current Law

When any annual assessment, biennial assessment, or general reassessment at the current rate would result in an increase of one percent or more in the total real property tax revenue in the following year, the locality is required to reduce its rate of levy for the forthcoming tax year so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies. The locality may increase the rate above the reduced rate, however, if it first conducts a public hearing. Notice of this hearing must be given at seven days before the date of such hearing by the publication of a notice in at least one newspaper of general circulation in such county or city.

### Proposal

This bill would require localities to provide individual notice to each real estate taxpayer in any year in which any annual assessment, biennial assessment, or general reassessment at the current rate would result in an increase of one percent or more in the total real property tax revenue in the following year, and the locality wished to impose a rate that would yield in the forthcoming year more than 101 percent of the total real estate tax revenue received in the prior year.

The individual notice would be required to be sent at least 10 days before the public hearing regarding the proposed tax rate, and would have to include the property owner's current real property tax levy, the real property tax levy at the proposed rate, and two incremental levies for potential rate changes between the current tax rate and the proposed tax rate.

cc : Secretary of Finance

Date: 1/26/2007 AMS  
HB2127F161