

**DEPARTMENT OF TAXATION
2007 Fiscal Impact Statement**

1. **Patron** Benjamin J. Lambert III

2. **Bill Number** SB 848

3. **Committee** House Finance

House of Origin:

 Introduced

 Substitute

 Engrossed

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

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would provide that if the change in the local Real Property Tax assessment of property is due to the completion of a new building, or if the change arises solely from the construction or addition of new improvements to the real property, then notice of change in assessment need not set out the immediately prior appraised or assessed value of the land or improvements and the percentage change in the new tax levy from the immediately prior tax levy.

The effective date of this bill is not specified.

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

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

8. Fiscal implications:

There would be no state or local revenue impact associated with this bill. This bill may result in reduced administrative costs for localities.

9. Specific agency or political subdivisions affected:

All localities

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

11. Other comments:

Current Law

Current law requires that whenever there is a reassessment of real estate or a change in the assessed value of real estate, a locality must provide notice by mail directly to each property owner whose assessment has been changed. Under current law, notice must be sent by postpaid mail at least 15 days prior to the date of the hearing to protest that

change in assessment. The notice must show the magisterial or other district, if any, in which the real estate is located, the amount and the new and immediately prior appraised value of land, the new and immediately prior appraised value of improvements, and the new and 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 must set out that rate, the total amount of the new tax levy, and the percentage change in the new tax levy from the immediately prior tax levy.

Under *Va. Code*, §§ 58.1-3292 and 58.1-3292.1, a city, county or town may, by ordinance, require that new buildings or substantially complete buildings be assessed when substantially completed or fit for use and occupancy.

Proposal

This bill would provide that if the change in the local Real Property Tax assessment of property is due to the completion of a new building under *Va. Code* § 58.1-3292 or § 58.1-3292.1, or if the change arises solely from the construction or addition of new improvements to the real property, then notice of that change in assessment need not set out the immediately prior appraised or assessed value of the land or improvements and the percentage change in the new tax levy from the immediately prior tax levy.

Similar Legislation

House Bill 3093 would provide that if the change in the local Real Property Tax assessment of property is due solely to the construction or addition of new improvements to the property, the notice of change in assessment for the property need not set out the following information otherwise required when the assessment is changed: 1) the tax rate; 2) the total amount of the new tax levy; 3) the percentage change in the new tax levy from the immediately prior one; 4) 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; or 5) information on when the date of the meeting will be set and where it will be publicized.

cc : Secretary of Finance

Date: 2/5/2007 KP
DLAS File Name: SB848FE161