

**DEPARTMENT OF TAXATION  
2009 Fiscal Impact Statement**

**1. Patron** Ralph K. Smith

**3. Committee** Senate Finance

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

**2. Bill Number** SB 1514

**House of Origin:**

  X   **Introduced**

      **Substitute**

      **Engrossed**

**Second House:**

      **In Committee**

      **Substitute**

      **Enrolled**

**5. Summary/Purpose:**

This bill would increase the notice requirements for the hearing that must be held by the locality whenever there is a reassessment of real estate or any change in the assessed value of any real estate from fifteen days to thirty days. In addition, this bill would require additional information be included with every notice, including the new tax rate, the total amount of the new tax levy, the total amount of the prior year's tax levy, and the percentage change in the new tax levy from the prior year's tax levy.

Under current law, when a locality conducts a reassessment or changes the assessed value of any real estate, the locality is required to mail notice directly to each property owner whose assessment has been changed at least fifteen days prior to the date of a hearing to protest the reassessment or change in assessed value.

The effective date of this bill is January 1, 2010.

**6. No Fiscal Impact.** (See Line 8.)

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

**8. Fiscal implications:**

This bill would have no impact on state or local revenues.

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

All localities

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

## 11. Other comments:

### Generally

Whenever a locality conducts a reassessment or changes the assessed value of any real estate, the locality is required to mail notice directly to each property owner whose assessment has been changed. The notice must be mailed at least fifteen days prior to the date of a hearing to protest the reassessment or change in assessed value.

Every notice must contain the following information: 1) the magisterial or other district in which the real estate is located; 2) the amount of the new and immediately prior appraised value of land; 3) the new and immediately prior appraised value of improvements; 4) the new and immediately prior assessed value of each if different from the appraised value; and 5) the time and place at which persons may appear before the officers making such reassessment or change. Further, if the tax rate that will apply to the new assessed value has been established, the notice must include that 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, the notice must set out the time and place of the next meeting of the local governing body. These additional requirements do not apply for changes in assessments that arise solely from the construction or addition of new improvements to real property.

### Proposal

This bill would change the notice requirements from fifteen days to thirty days. The bill would also require additional information be added to every notice, regardless of whether the tax rate that will apply to the new assessed value has been established. The required information includes the new tax rate, the total amount of the new tax levy, the total amount of the prior year's tax levy, and the percentage change in the new tax levy from the prior year's tax levy. As the additional information required by this proposal to be included with the notice of assessment cannot be determined until the new tax rate has been set, this proposal would delay the issuance of the notice of assessment until after the local real estate tax rate has been set.

The effective date of this bill is January 1, 2010.

### Similar Legislation

**House Bill 2601** is identical to this bill.

**Senate Bill 1003** and **House Bill 2308** would shorten the notice requirements for the public hearing every locality must hold prior to increasing its real property tax when that locality's assessment of real property results in an increase in Real Property Tax revenue of greater than one percent over the prior year's revenue. Specific notice requirements would differ for even-numbered versus odd-numbered years and depend upon whether the General Assembly has passed a general appropriation act by a certain date or whether the General Assembly is organized in a special session as of a specified date.

**Senate Bill 1131** would shorten the notice requirements for the public hearing every locality must hold prior to increasing its real property tax when that locality's assessment of real property results in an increase in Real Property Tax revenue of greater than one percent over the prior year's revenue from thirty days to ten days.

cc : Secretary of Finance

Date: 1/25/2009 KP  
DLAS File Name: SB1514F161.doc