

# DEPARTMENT OF TAXATION

## 2014 Fiscal Impact Statement

1. **Patron** J. Randall Minchew

3. **Committee** Senate Finance

4. **Title** Real Property Tax; Board of Equalization  
Alternate Members

2. **Bill Number** HB 149

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would specifically authorize regular members of temporary or permanent boards of equalization to apply to the board for relief in the same manner as any other taxpayer, and, in such an event, would allow the board of equalization chairman to appoint an additional alternate member to hear and vote on the regular member's application for relief. Under the terms of the bill, if the chairman is the member applying for relief, then the vice chairman would need to appoint the alternate member.

Under current law, at the request of a local governing body, circuit courts may appoint alternate members to hear applications and vote in the place of a regular member that must be absent from or abstain from any proceeding at a meeting.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

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

8. **Fiscal implications:**

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

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

All localities

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

## 11. Other comments:

### Boards of Equalization, Generally

Circuit courts within most localities are authorized to appoint a three-to-five member board of equalization, whose purpose is to hear complaints regarding a lack of uniformity or errors in acreage in a real property assessment and complaints that real property is assessed at more than fair market value. Once the board hears these complaints, it is authorized to increase, decrease, or confirm assessments based on fairness. If the board determines that an increase in the assessment amount is required, it must provide notice to the owner of the property and an opportunity to show cause against such increase before the increase is applied.

The circuit court of the city or county must appoint the board of equalization in the tax year immediately following the year of reassessment or annual or biennial assessment unless the locality has appointed a permanent board. The board expires one year after the effective date of the assessment for which the board was appointed.

The composition of a board of equalization and the terms for board members depend upon the type of board that has been created. For example, in counties operating under county executive or county manager forms of government that appoint temporary boards of equalization, the board must be composed of not less than three nor more than the number of districts for the election of members of the board of supervisors in the county. In counties operating under either form of government that have created permanent boards, the board is composed of the same number of members, but all members must serve three-year terms.

For all other counties that create a permanent board, the board may consist of either three or five members. If the board is made up of three members, one member must serve a term of one year, one member must serve a term of two years, and one member must serve a term of three years. If the board is made up of five members, one member must serve a term of one year, one member must serve a term of two years, and three members must serve three-year terms.

### Alternate Membership

Circuit courts are also authorized to appoint up to two alternate board members to serve on local boards of equalization if a member of the board is absent or abstains. Alternate members have the same terms, qualifications, and compensation as those of regular board members. The chairman of the board selects one of the appointed alternates to serve in the absent or abstaining member's place and to vote on any proceeding in which a regular member is absent or abstains.

The number of alternate members the circuit court may appoint differs, depending upon whether the alternates are appointed in a county operating under a county executive or county manager form of government, or whether they are appointed in another locality. Localities that operate under a county manager or county executive plan of government may appoint up to two alternate members. Localities that have created temporary boards

of equalization may appoint one alternate member in the case of a three-member board and two alternate members in the case of a five-member board to serve in the absence of a regular board member. Localities with permanent boards of equalization may appoint one alternate member to serve for a two-year term in the case of a three-member board, and two alternate members, one of which may serve for a one-year term, and one of which serves for a two-year term in the case of a five-member board. Thereafter, the term for alternate members of five-member boards is for three-year terms.

### Proposal

This bill would specifically authorize regular members of temporary or permanent boards of equalization to apply to the board for relief in the same manner as any other taxpayer, and, in such an event, would allow the board of equalization chairman to appoint an additional alternate member to hear and vote on the regular member's application for relief. Under the terms of the bill, if the chairman is the member applying for relief, then the vice chairman would need to appoint the alternate member.

### Similar Legislation

**House Bill 225** and **Senate Bill 66** (substantively identical) would allow the City of Richmond to enact an ordinance providing for a board of equalization or permanent board of equalization, in lieu of a board of review.

cc : Secretary of Finance

Date: 2/4/2014 KP  
DLAS File Name: HB149F161