

DEPARTMENT OF TAXATION

2015 Fiscal Impact Statement

1. **Patron** John A Cosgrove

3. **Committee** Passed House and Senate

4. **Title** Real Property Tax; Explanation of Increased Assessment

2. **Bill Number** SB 872

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would require a local assessing officer to provide a taxpayer whose property has been assessed for real property taxes, with a written explanation or justification for an increase in the property's assessed value, if the taxpayer requests such information.

Under current law, upon a taxpayer's request, local assessing officers must provide the taxpayer with information regarding the methodology employed in the calculation of a property's assessed value, including the capitalization rate used to determine the property's value, a list of comparable properties or sales figures considered in the valuation, and any other market surveys, formulas, matrices, or other facts considered in determining the value of the property, unless the information is prohibited from disclosure under current law.

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 direct impact on local revenues. Because the bill would require local assessors to provide additional information to certain property owners, the bill may result in increased administrative costs for localities.

This bill would have no impact on state revenues.

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

All localities

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

11. Other comments:

Current Law

Virginia law provides real property owners whose property has undergone assessment numerous ways to obtain information regarding the assessment. Local assessors must maintain current property appraisal cards that contain the appraised value of the property and improvements for all parcels of real estate they assess, and these cards must be made available for inspection, unless they contain confidential information. Additionally, localities must allow such taxpayers to examine the working papers that the assessing official used in reaching the property's assessed value, if the taxpayer requests. Assessing officers also must provide information regarding the methodology employed in the calculation of a property's assessed value, including the capitalization rate used to determine the property's value, a list of comparable properties or sales figures considered in the valuation, and any other market surveys, formulas, matrices, or other factors considered in determining the value of the property, upon a taxpayer's request.

In appeals of assessments by owners of real property containing less than four residential units, the assessor must provide written notice to the owner at least 45 days before the appeal informing him of his right to review the assessment records and to have the assessor make a physical examination of the property. The assessor has 15 days from the taxpayer's written request in an appeal to provide such assessment records or is required to present at the hearing: i) copies of the records; ii) testimony to explain methodologies used in determining the assessed value of the property, and iii) testimony indicating that the assessed value was reached in accordance with generally accepted appraisal practices. In appeals to a circuit court, the taxpayer must make the written request for assessment records no later than 45 days prior to trial, unless otherwise ordered by the court.

Proposal

This bill would require a local assessing officer to provide a taxpayer whose property has been assessed for real property taxes, with a written explanation or justification for an increase in the property's assessed value, if the taxpayer requests such information.

The effective date of this bill is not specified.

Similar Legislation

House Bill 1291 and **Senate Bill 678** would clarify that the information required on the notice of assessment regarding assessments in the immediately prior two tax years refers to the immediately prior two tax years' final assessments.

cc : Secretary of Finance

Date: 2/23/2015 KP
DLAS File Name: SB872FER161