

DEPARTMENT OF TAXATION

2017 Fiscal Impact Statement

1. **Patron** Patrick A. Hope

2. **Bill Number** HB 1820

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Real Property Tax; Board of Equalization of
Real Estate Assessments

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would require that a board of equalization for real estate assessments in any county having the county manager plan of government be composed of an odd number of not less than three nor more than 11 members. The bill would require the circuit court of the county to appoint members equal to the lowest number that constitutes a majority of the board and the local governing body would appoint the remainder of the board. The circuit court and the governing body would be required to make the initial appointment of the members of the board on or before November 1, 2017. Such appointments would be for the remaining portion of the terms of the current members.

Under current law, if a majority of voters in a county with a county manager plan of government vote in a referendum to establish a department of real estate assessments, the governing body must annually appoint a board of equalization of real estate assessments composed of not less than three nor more than 11 members to hear applications of relief from assessments made by the department.

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:**

Arlington County

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

11. Other comments:

Boards of Equalization, Generally

If a majority of voters in a county with a county manager plan of government vote in a referendum to establish a department of real estate assessments, the governing body must annually appoint a board of equalization of real estate assessments composed of not less than three nor more than 11 members to hear applications of relief from assessments made by the department.

The composition of a board of equalization and the terms for board members depend upon the type of board that has been created. 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.

Proposal

This bill would require that a board of equalization for real estate assessments in any county having the county manager plan of government be composed of an odd number of not less than three nor more than 11 members. The bill would require the circuit court of the county to appoint members equal to the lowest number that constitutes a majority of the board and the local governing body would appoint the remainder of the board. The circuit court and the governing body would be required to make the initial appointment of the members of the board on or before November 1, 2017. Such appointments would be for the remaining portion of the terms of the current members.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/23/2017 AM
DLAS File Name: HB1820FER161