

# DEPARTMENT OF TAXATION

## 2007 Fiscal Impact Statement

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

3. **Committee** Senate Finance

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

2. **Bill Number** SB 848

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **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, 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 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, 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.

cc : Secretary of Finance

Date: 1/13/2007 KP  
DLAS File Name: SB848F161