

# DEPARTMENT OF TAXATION

## 2008 Fiscal Impact Statement

1. **Patron** Robert Hurt

3. **Committee** Senate Finance

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

2. **Bill Number** SB 774

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill provides that if the local real property tax rate has not been established at the time of the mailing of the notice of change in assessment, then the notice must indicate where the date, time, and other information regarding the public hearing may be obtained.

Currently, if the tax rate that will apply to the new assessed value has not been established, then the notice must set out the time and place of the next meeting of the local governing body at which public testimony will be accepted on any real estate tax rate changes. If this meeting will be more than 60 days from the date of the reassessment notice, then instead of the date of the meeting, the notice must include information on when the date of the meeting will be set and where it will be publicized.

The effective date of this bill is not specified.

**6. No Fiscal Impact.**

**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:**

## Notices of Assessment

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 the 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. If the tax rate that will apply to the new assessed value has not been established, then the notice must set out the time and place of the next meeting of the local governing body at which public testimony will be accepted on any real estate tax rate changes. If the meeting will be set for more than 60 days from the date of the reassessment notice, instead of the date of the meeting, the notice must include information on when the date of the meeting will be set and where it will be publicized. The notice of change in the property tax assessment does not apply when the increase is attributable to construction or the addition of new improvements to the property.

## Proposal

This bill provides that if the tax rate that will apply to the new assessed value has not been established at the time of the mailing of the notice of change in assessment, then the notice must indicate where the date, time, and other information regarding the public hearing may be obtained.

## Similar Legislation

**House Bill 74** would require a locality seeking to adopt a real estate tax rate that would generate more than the prior year's real estate tax revenue to (1) adopt a rate that would generate no more than the previous year's real property tax levies and (2) after 30 days, hold a hearing to increase the rate.

**House Bill 927** would require each locality to adopt a tax rate for the forthcoming tax year at least 30 days prior to approval of the budget for the forthcoming year, with separate public notices and separate public hearings and to adopt a rate that would generate no more than the previous year's real property tax levies. A locality seeking to increase such rate would need to hold a hearing to increase the rate no sooner than 30 days thereafter and at least 30 days prior to the annual budget hearing.

**House Bill 927** and **Senate Bill 783** (identical) would require each locality to adopt a tax rate for the forthcoming tax year at least 30 days prior to approval of the budget for the forthcoming year, with separate public notices and separate public hearings and to adopt a rate that would generate no more than the previous year's real property tax levies. A

locality seeking to increase such rate would need to hold a hearing to increase the rate no sooner than 30 days thereafter and at least 30 days prior to the annual budget hearing.

**House Bill 1009** and **Senate Bill 779** (identical) would (1) require localities to include in the assessment notice the tax rate that will apply to reassessed real property; (2) require localities to include in the bill comparative information regarding tax rates, assessed values, and tax amounts owed for the current year and the previous year; and (3) permit taxpayers to defer a portion of the increase in real property taxes on the primary dwelling owned and occupied by the taxpayer until the property is transferred or until the taxpayer's death.

**Senate Bill 334** would require localities to (1) attach to each real and personal property tax bill information showing how the amount of the tax bill has been apportioned in the current fiscal year on the major categories of spending; and (3) include in the bill comparative information regarding tax rates, assessed values, and tax amounts owed for the current year and the previous year.

cc : Secretary of Finance

Date: 1/28/2008jkl  
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