

**DEPARTMENT OF TAXATION  
2009 Fiscal Impact Statement**

**1. Patron** J. Chapman Petersen

**2. Bill Number** SB 1131

**3. Committee** House Finance

**House of Origin:**

☐ Introduced

☐ Substitute

☐ Engrossed

**4. Title** Real Property Tax; Notice of Public Hearing  
for Increasing Rates

**Second House:**

☒ In Committee

☐ Substitute

☐ Enrolled

**5. Summary/Purpose:**

This bill would shorten the notice requirements for the public hearing every locality must hold prior to increasing its real property tax when that locality's assessment of real property results in an increase in Real Property Tax revenue of greater than one percent over the prior year's revenue from thirty days to ten days.

Under current law, when any annual assessment, biennial assessment or general reassessment of real property by a locality would result in an increase of one percent or more in the total real property tax levied, the locality is required to reduce its rate of levy for the forthcoming tax year. If the governing body desires to increase the rate above the reduced rate, it must first hold a public hearing, and must provide notice of this hearing at least thirty days prior to the public hearing.

The effective date of this bill is not specified.

**6. Fiscal Impact Estimates are:** Not available. (See Line 8.)

**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:

### Background

Whenever an annual assessment, biennial assessment or general reassessment of real property by a locality would result in an increase of one percent or more in the total real property tax levied, the locality is required to reduce its rate of levy for the forthcoming tax year so that the rate of levy produces no more than 101 percent of the previous year's real property tax levies.

Governing bodies of localities are authorized to increase the rate above the reduced rate if such an increase is deemed necessary. In order to increase the rate, the governing body must conduct a public hearing, which may not be held at the same time as the annual budget hearing. Notice of the public hearing must be published in at least one newspaper of general circulation in the county or city and posted in a prominent public location where notices are regularly posted in the building where the governing body of the locality regularly conducts its business. Notice must be given at least thirty days prior to the date of the hearing.

### Proposal

This bill would shorten the notice requirements for public hearings that localities must hold prior to increasing its real property tax from thirty days to ten days.

The effective date of this bill is not specified.

### Similar Legislation

**Senate Bill 1003** and **House Bill 2308** would shorten the notice requirements to fourteen days for the public hearing every locality must hold prior to increasing its real property tax when that locality's assessment of real property results in an increase in Real Property Tax revenue of greater than one percent over the prior year's revenue for any year in which neither a general appropriation act nor amendments to a general appropriation act providing appropriations for the immediately following fiscal year have been enacted by April 30.

cc : Secretary of Finance

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