

# DEPARTMENT OF TAXATION

## 2014 Fiscal Impact Statement

1. **Patron** Brenda L. Pogge

3. **Committee** Passed House and Senate

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

2. **Bill Number** HB 525

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

**Second House:**

           **In Committee**

           **Substitute**

      X       **Enrolled**

### 5. **Summary/Purpose:**

This bill would require that additional information be included in a notice of a change in assessment or reassessment for real property taxes issued by localities. The notice would need to include: 1) the current appraised values and the immediately preceding two appraised values of land and improvements as well as the assessed values of each, if different from the appraised values; and 2) the tax rates and the amount of the total tax levies for the immediately preceding two tax years. In addition, for all notices except those where the change in assessment is solely the result of construction or addition of new improvements to the real estate, the bill would require that the notice identify the tax rates, the amount of the total tax levies and the percentage changes from the immediately two preceding tax years. The bill would also require that the notice inform each property owner of: 1) the right to view and make copies of records maintained by the local assessment office; and 2) the specific location in the *Code of Virginia* that explains the procedure for accessing these records.

Under current law, the information contained in the notice of assessment is required to include only the current and immediately preceding appraisal and assessment values, tax rates and percentage changes in the new tax levy from the immediately preceding year.

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 revenues.

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

All localities

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

**11. Other comments:**

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. If the tax rate for the new assessed value has not been established, the notice must identify the time and place of the next local governing body meeting for public testimony on the real estate tax rate changes.

If the change in the local Real Property Tax assessment of property is due to the construction or addition of new improvements to the property, the notice of change in assessment for the property need not set out this information.

Proposal

This bill would require that additional information be included in a notice of a change in assessment or reassessment for real property taxes issued by localities. The notice would need to include: 1) the current appraised values and the immediately preceding two appraised values of land and improvements as well as the assessed values of each, if different from the appraised values; and 2) the tax rates and the amount of the total tax levies for the immediately preceding two tax years. In addition, for all notices except those where the change in assessment is solely the result of construction or addition of new improvements to the real estate, the bill would require that the notice identify the tax rates, the amount of the total tax levies and the percentage changes from the immediately two preceding tax years. The bill would also require that the notice inform each property owner of: 1) the right to view and make copies of records maintained by the local assessment office; and 2) the specific location in the *Code of Virginia* that explains the procedure for accessing these records.

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Similar Legislation

**Senate Bill 480** is substantively identical to this bill.

cc : Secretary of Finance

Date: 2/24/2014 KP  
DLAS File Name: HB525FER161