

DEPARTMENT OF TAXATION

2018 Fiscal Impact Statement

1. **Patron** Robert D. Orrock, Sr.

3. **Committee** House Finance

4. **Title** Real Property Tax; Assessment of Wetlands

2. **Bill Number** HB 1442

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require that the commissioner of the revenue or other assessing official specially and separately assess at fair market value all wetlands on real property, if requested by the property owner.

In addition, under current law, commissioners of the revenue and other assessing officials are required to consider specially and separately assessing the wetlands on real property using the National Wetlands Inventory Map prepared by U.S. Fish and Wildlife Services in making a determination. This bill would require such officials to use either the National Wetlands Inventory Map or another similar federal or state map in making a determination.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No

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

8. **Fiscal implications:**

Administrative Costs

Localities could have unknown administrative costs as a result of this bill.

This bill would have no impact on state administrative costs.

Revenue Impact

Localities could have an unknown revenue impact as a result of this bill.

This bill would have no impact on state revenues.

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

10. Technical amendment necessary: No

11. Other comments:

Under current law, there are several types of property that require separate assessment. For example, localities must separately assess at the fair market value all mineral lands on an annual basis and enter those assessments separately from assessments of other lands and improvements.

Under current law, commissioners of the revenue and other assessing officials are required to consider specially and separately assessing the wetlands on real property. They are also required to consider using the National Wetlands Inventory Map prepared by U.S. Fish and Wildlife Services or similar federal or state map in making their determination, and such map also shall be considered in any administrative or judicial appeal.

Proposal

This bill would require that the commissioner of the revenue or other assessing official specially and separately assess at fair market value all wetlands on real property, if requested by the property owner.

The bill would also require, that if the commissioner or assessing official disagrees with the property owner as to the presence of wetlands, then the official must use the National Wetlands Inventory Map prepared by U.S. Fish and Wildlife Services or other similar federal or state map in making a determination.

The effective date of this bill is not specified.

Similar Legislation

House Bill 871 would expand the definitions of “real estate devoted to agricultural use” and “real estate devoted to horticultural use” to be used in the special classification of real estate that is eligible for a use value assessment.

House Bill 1146 would reduce the minimum acreage requirement from 20 acres to 15 acres for a parcel of real estate to qualify for land-use taxation if it is devoted solely to forest use.

House Bill 1204 would require that an assessing official, at the request of a property owner, determine fair market value by specially and separately assessing any real estate devoted to open-space use that contains at least five acres. Such provision would apply regardless of whether or not the locality has adopted an ordinance to provide for use value assessment of real estate dedicated to open-space.

House Bill 1448 would clarify the requirements for a parcel of real property to qualify as “real estate devoted to agricultural use,” by providing that no specific amount of time devoted to such use is required before the parcel may qualify.

cc : Secretary of Finance

Date: 1/27/2018 SK
DLAS File Name: HB1442F161