

DEPARTMENT OF TAXATION

2018 Fiscal Impact Statement

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

2. **Bill Number** HB 1442

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

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

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would clarify the assessment procedure for specially and separately assessing the fair market value of all wetlands on real property upon the request of a property owner. Specifically, the bill would clarify that, if the commissioner of the revenue or other assessing official disagrees with the property owner as to the presence of wetlands, then the commissioner of the revenue or other assessing official would be required to recognize (i) the National Wetlands Inventory Map prepared by the U.S. Fish and Wildlife Service, (ii) a wetland delineation map confirmed by a Preliminary Jurisdictional Determination or (iii) an Approved Jurisdictional Determination issued by the U.S. Army Corps of Engineers and provided by the property owner in making the determination.

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.

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:

Background

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.

Commissioners of the revenue and other assessing officials are currently 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 clarify the assessment procedure for specially and separately assessing the fair market value of all wetlands on real property upon the request of a property owner. Specifically, the bill would clarify that, if the commissioner of the revenue or other assessing official disagrees with the property owner as to the presence of wetlands, then the commissioner of the revenue or other assessing official would be required to recognize (i) the National Wetlands Inventory Map prepared by the U.S. Fish and Wildlife Service, (ii) a wetland delineation map confirmed by a Preliminary Jurisdictional Determination or (iii) an Approved Jurisdictional Determination issued by the U.S. Army Corps of Engineers and provided by the property owner in making his 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 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 twenty 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.

cc : Secretary of Finance

Date: 3/5/2018 SK

