

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do Pass

Vote: 7-0-2

Yeas: Berger, Bruun, Gelsler, Olson, Read, Witt, Barnhart

Nays:

Exc.: Butler, Rosenbaum

Prepared By: Mary Ayala, Economist

Meeting Dates: 5/3, 511

WHAT THE BILL DOES: Allows county assessor to reduce maximum assessed value of property when buildings are demolished or removed.

ISSUES DISCUSSED:

- In many cases, the necessary demolition of a structure is replaced by a higher valued property which increases the local property tax base.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Under current law, the maximum assessed value of a property equals the greater of 100% of the property's prior year's maximum assessed value or 103% of the prior year's assessed value; and the maximum assessed value may not exceed the property's real market value. When a property is destroyed or damaged by fire or by an act of God, the maximum assessed value is adjusted to reflect the loss caused by these events as of July 1 of the assessment year.