

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do pass as amended and be printed engrossed.

Vote: 3-0-2

Yeas: G. George, Monroe, Starr

Nays:

Exc.: Burdick, Deckert

Prepared By: Mary Ayala, Economist

Meeting Dates: 3/12, 3/26

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

ISSUES DISCUSSED:

- That the land value of properties can become more valuable after existing buildings are demolished.
- The disparity in treatment under current law between a building destroyed by fire and one that is razed by the owner.

EFFECT OF COMMITTEE AMENDMENTS: Grants the assessors the option to decide whether the maximum assessed value should be reduced.

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.