

Testimony SB 1529
February 3, 2012

The Proponents have explained the bill.

I believe that the goal all along by the proponents was to narrowly influence the Changed Property Ratio (CPR) via special class designations.

My concern with SB 818 (2011) was that it altered the integrity of our mass appraisal tool. I believe that the changes from beginning of the discussion last June until now only affect the class for the purposes of the CPR.

I do not believe that the changes in class designation in SB 1529 or amendments affect the unit of property concept for the establishment of real market value. The changes also do not in any way affect our ability to combine or separate classes for the purpose of development of appraisal models as the basis for the annual ratio studies. (This statutorily required process strives to arrive at the real market value of a large number of properties annually.) Those values are all appealable; it is just the statutory method for practical expediency.

I believe the workgroup expects the following as outcomes:

- Shift Machinery & Equipment to a class of its own thereby removing the upward influence it has on the CPR buildings and structures that may be commercial or may be industrial.
- Separate out the state appraised industrial accounts to their own class thereby removing the upward influence the larger value industrial accounts (by definition) have on county industrial class CPR.
- Combine commercial and industrial classes into one class to mitigate need for retaining a distinction between the two and managing the nuances. This should have an "averaging" affect on the class as a whole.
- Allowing personal property collection methods for real property M & E.