

Joint Committee on Ways and Means

Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Verger

Revenue: No revenue impact

Fiscal: No fiscal impact

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 24 – 0 – 1

House

Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith, Thatcher, Whisnant

Nays:

Exc:

Senate

Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

Nays:

Exc: Bates

Prepared By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: March 2, 2012

WHAT THE MEASURE DOES: Permits counties, under certain conditions, to receive assistance payments from the County Assessment Function Funding Assistance Account (CAFFA) which are unaltered by a reduction in expenditures. In some instances, transfers those county grants to the Assessment and Taxation County Account, which supports county property tax appraisal program activities at the Department of Revenue.

ISSUES DISCUSSED:

- Purpose of bill
- Fiscal impact
- Part of a package of county assistance bills

EFFECT OF COMMITTEE AMENDMENT: -A6 amendment, which is primarily technical in nature, provides a mechanism that allows CAFFA resources to be allocated across all counties meeting bill criteria, not just those that are certified. Also provides for funds that were set aside on behalf of non-participating counties to be returned to CAFFA if the Department ends up not having to step in and help out with property assessment and taxation services.

BACKGROUND: The CAFFA account was created to fund county expenditures on property tax assessment and collection functions. Funding for the grants comes from document recording fees and a portion of the interest from delinquent property taxes.

To receive the grant, each county must submit an application to the Department of Revenue that includes its annual budget for assessment and taxation expenditures as approved by the county governing body. The department reviews each application to determine if the county budget will provide the resources to adequately perform property assessment and taxation functions. Funds are allocated according to relative expenditures on these functions by each county.

This measure would allow the counties which derive more than 10% of their revenues from the Secure Rural Schools Act's county payments in lieu of timber to reduce their expenditures on these functions without losing a proportional amount of CAFFA funding. The measure also requires that statutorily required functions are not impeded by this action.