

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Allows county, by ordinance or resolution, to allow property tax exemption for newly constructed or installed industrial improvements. Qualifying industrial improvements must have a minimum real market value between \$2 to \$10 million. Exemption is allowed for a period of three to five years at a declining percentage of assessed value. Requires county to specify number of years exemption is available and declining percentage to be applied to assessed value. Allows county at any time to amend or terminate exemption but requires industrial improvements receiving exemption to continue receiving exemption pursuant to the terms in effect at time exemption was first granted to property. Requires county to grant exemption on same terms to all eligible industrial improvements. County may allow exemption for property tax years beginning on or after July 1, 2014. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

In FY 2013-14, centrally assessed industrial property, which is industrial property with a improvement value of \$1 million or more, represented about 4% (\$220 million) of the total \$5.5 billion in property taxes imposed. In FY 2013-14, there were roughly 2,500 centrally assessed industrial property accounts.