

STAFF MEASURE SUMMARY

House Committee On Revenue

**Fiscal:** No Fiscal Impact

**Revenue:** Has minimal revenue impact

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**Action Date:** 04/06/15

**Action:** Do Pass.

**Meeting Dates:** 03/23, 04/06

**Vote:**

Yeas: 7 - Barnhart, Bentz, Johnson, Lininger, Read, Smith Warner, Vega Pederson

Nays: 2 - Davis, Whitsett

**Prepared By:** Kyle Easton, Economist

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**WHAT THE MEASURE DOES:**

Allows taxpayer to petition county assessor for correction in maximum assessed value of property for the current tax year upon demonstrating that new property or improvement to property added to the tax roll in a prior tax year did not exist as of the assessment date for that prior tax year or any subsequent tax year. Requires assessor to correct maximum assessed value of property for current tax year in manner determined by assessor. Correction must reflect, in a manner determined by assessor, removal of the new property or improvements. Requires property constituting an integral part of the land or improvements that has been continuously in existence since the prior tax year and was not included in any assessment for prior tax years to be considered new property or new improvements to property. Applies to property tax years beginning on or after July 1, 2015.

**ISSUES DISCUSSED:**

- Retroactivity of taxes, and non application of retroactivity under bill language
- What constitutes new/improved property as compared to valuation questions
- Current law threshold for additions to new property not triggering an increase in maximum assessed value
- Clarification that Section 1 of bill relates to decreases in value resulting from petitioner requests.

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Under current law, the assessor may reduce maximum assessed value (MAV) if a taxpayer informs the assessor of a discrepancy in the assessed and actual square footage of the taxpayer's property. Current law requires that the reduction in MAV be proportionate to the difference in square footage. Following this calculation could lead to value changes not reflective of actual market conditions causing the assessor to choose not to make the adjustment in MAV.

Changes to law provided by the measure would require assessors to correct MAV of property if petitioner demonstrates:

- A difference between actual square footage of the property and square footage of property as shown in the records of the assessor and
- That new property or new improvements to property added to the tax roll in a prior tax year did not exist as of the assessment date for prior tax year or any subsequent tax year.

The measure requires corrections in value to reflect, in a manner determined by the assessor, the correction in square footage. Measure requires new property or improvements to property that were not included in a prior tax year's assessment roll but did exist, to be added to the roll.