

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 or city, by ordinance or resolution, to provide property tax exemption or deferral for newly constructed or installed industrial improvements with cost of initial investment of at least \$1 million. Requires qualified property to be owned or leased by applicant, used through the final year of the exemption for the purpose and at the location identified in the application. Property is eligible only if qualified property was first placed in service after the ordinance or resolution is adopted and if first assessment year corresponds to assessment year to which the application is filed. Prescribes exemption schedule for the five years exemption is available. Allows county or city to, within certain parameters, specify in ordinance or resolution minimum cost of initial investment, number of years exemption is available and exemption schedule. Provides cap on exemption equal to specified percentage of real market value of qualified property. Requires exemption to be granted to all eligible industrial improvements on same terms in effect on date application is submitted. Allows city or county to amend or terminate ordinance or resolution but requires property granted exemption to continue to receive exemption under existing terms at time exemption was first granted. With exception of the facilities under construction exemption, prohibits property from receiving exemption prior to or after receiving industrial improvement exemption. Allows city or county to grant deferral of property taxes instead of exemption within same parameters of exemption. Requires city or county to prescribe application forms and process applications. Provides provisions for levying and collecting back taxes if qualification criteria is not met by property owner for duration of exemption period. Authority of county or city to provide exemption and deferral sunsets on January 2, 2027. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND: