

Topic	Potential Effects	Policy Options
Initial Revenue Increase Depends upon RMV:AV Difference	<ul style="list-style-type: none"> <li>• Certain areas of the state will see, sometimes sizable, difference in initial revenue increase</li> <li>• Homestead exemption may encourage home ownership resulting in base erosion over time</li> <li>• Over time, proportional value of homestead exemption will decrease for properties growing faster than homestead exemption, and vice-versa for those growing slower</li> </ul>	<ul style="list-style-type: none"> <li>• Greater revenue lift requires greater homestead exemption to maintain neutrality <ul style="list-style-type: none"> <li>○ Determine homestead exemption at county or sub-county level</li> </ul> </li> <li>• Variability in revenue increase suggests need for variability in homestead exemption <ul style="list-style-type: none"> <li>○ Allow homestead to adjust both up and down reflective of changes in underlying RMVs</li> </ul> </li> </ul>
Revenue Neutrality for Districts	<ul style="list-style-type: none"> <li>• Due to variability, net increase/decrease in revenue will depend upon: <ul style="list-style-type: none"> <li>○ RMV:AV by district</li> <li>○ Percent of properties that are homesteads</li> <li>○ Homestead values as compared to other parts of state/county</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Recalculate district permanent rates following move to RMV and homestead exemption based upon current district permanent authority <ul style="list-style-type: none"> <li>○ Allow districts, with voter approval, to set new initial permanent rate</li> <li>○ Possibly allow districts to reset permanent rates with voter approval at certain intervals (e.g. - no more than once every 10 years)</li> <li>○ Recalculated fixed permanent rates subject to movements in RMV</li> <li>○ Require minimum district rates at time of recalculation</li> <li>○ Universal statewide K-12 district permanent rates</li> </ul> </li> </ul>
Timing of Moving from AV to RMV	<ul style="list-style-type: none"> <li>• Potential tax increases/decreases</li> <li>• For some properties, potential large increase in tax liability</li> <li>• Most affected: Non-homestead properties and property that has current AV much lower than RMV</li> </ul>	<ul style="list-style-type: none"> <li>• Phase changes in over specified number of years <ul style="list-style-type: none"> <li>○ Will reduce year over year changes but will add complexity in computing tax</li> <li>○ Add complexity in reaching revenue neutrality</li> </ul> </li> </ul>
Aligning Existing Statutes with New Property Base	<ul style="list-style-type: none"> <li>• Homestead exemption's interaction with other exemptions &amp; special assessments (e.g. - farm/forest homesites)</li> <li>• Urban renewal</li> </ul>	
Administrative Costs		