

## HB 1471 -- Predictable Property Tax Act

Sponsor: Cunningham (86)

This bill establishes the Predictable Property Tax Act which freezes, beginning August 28, 2008, the assessed valuation of real property at the 2006 assessed value or at the acquisition price of property purchased after the effective date of the bill and sets the tax rate at 1%. The assessment can be adjusted for cost-of-living increases up to 2% annually. Real property tax revenues are limited to the 2006 real property tax revenues for each county, excluding new construction, improvements, and cost-of-living increases. If the market value of a home declines, the assessed valuation must decrease. The limitations will not apply to any voter-approved tax increase, bond indebtedness, or special assessment.

A taxpayer who is 55 years of age or older can transfer the assessed value of his or her current home to any replacement home of equal or lessor value. The bill allows the transfer of property up to \$1 million in assessed value to children or grandchildren without reassessment.