

HCS HB 2445 -- PROPERTY TAXES

SPONSOR: McMullen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Property Tax Reform by a vote of 20 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 2445.

This bill provides that the level of assessments of all real property in Subclass (1) and Subclass (3) shall be uniform and equal.

If the common level assessment, as defined in the bill, in either Subclass (1) or (3) is lower than the individual level assessment, as defined in the bill, of any property in the same Subclass, the individual level assessment of such property shall be reduced to the common level assessment. Such a reduction shall be made upon an appeal by the property owner to the local Board of Equalization, State Tax Commission, or circuit court.

To determine the individual level assessment of real property, the true value in money of such property shall be presumed to be the lesser of either:

- (1) The assessor's appraised value; or
- (2) The appraised value set by the local Board of Equalization.

Currently, if the assessor is required to perform a physical inspection of real property, but does not provide sufficient evidence to establish that a physical inspection was in fact performed, then the property owner shall prevail on an appeal as a matter of law. This bill further provides that if an assessor does not establish sufficient evidence of a physical inspection, any increased assessed valuation shall be voided, and the previous assessed valuation shall be applied to the property in its place.

Currently, a first class charter county or a city not within a county may require, by ordinance or charter, the reimbursement of certain costs and fees expended by a taxpayer resulting from a successful appeal that ends up reducing the appraised value of property by a certain percentage. This bill makes such reimbursements mandatory.

Additionally, this bill increases the maximum amount of fees to be reimbursed from \$1,000 to \$2,000 for residential property appeals, and from \$4,000 to \$5,000 for utility, industrial railroads, or other Subclass (3) property appeals.

Currently, taxpayers are required to file a written protest of property taxes with the collector when the taxpayer makes full payment of such taxes. This bill repeals such a requirement.

This bill also provides that the interest due to a taxpayer whose protested taxes were distributed to a taxing authority shall be calculated from the date that the protested taxes were distributed through the date of the refund.

This bill also provides that if a circuit court or the State Tax Commission determines that a taxpayer is entitled to a refund of property taxes the taxpayer shall receive such refund from the collector within 30 days of the final determination of the refund amount by the circuit court or State Tax Commission. If such refund is not issued within 30 days, the taxpayer shall be entitled to interest on the refund as calculated under current law.

This bill is similar to SB 1001 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPONENTS:** Supporters say that this bill will make it easier to appeal assessed home values by allowing a taxpayer to protest the assessment before the mortgage company pays the real estate taxes. Supporters also say that this bill will incentivize county assessors to perform assessments more thoroughly, as opposed to the current "drive by" assessments; lead to faster refunds to the taxpayer, if or when the Board of Equalization determines that such a refund is warranted; and reduce the cost of the process, because there would be less of a need by the taxpayer to hire an attorney.

Testifying in person for the bill were Representative McMullen and Tad Berry, Property Assessment Review.

**OPPONENTS:** There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.