

HCS HB 517 -- INFLATIONARY GROWTH FACTOR FOR ASSESSMENT GROWTH

SPONSOR: Matthiesen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 6 to 2.

The following is a summary of the House Committee Substitute for HB 517.

This bill provides that any ballot measure seeking approval to modify a tax on real property must state the effect of the proposed change within the ballot language.

The bill also modifies the manner in which a political subdivision may revise each tax levy to allow for inflationary assessment growth for all subclasses of real and personal property.

Currently, the inflationary growth factor for any subclass of real and personal property is limited to the actual assessment growth, exclusive of new construction and improvements, but not to exceed the Consumer Price Index (CPI), or 5%, whichever is lower.

This bill limits the inflationary growth factor for any subclass of real or personal property to the actual assessment growth, but not to exceed the lower of the following:

- (1) The CPI; or
- (2) The following percentages:
 - (a) For tax levy revisions before January 1, 2026, 5%; or
 - (b) For tax levy revisions on or after January 1, 2026, 3%.

This bill is similar to HB 1668 (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 this bill does not change how anything is assessed, and it does not put any constraints on the counties who can ask their voters to approve a tax. However, it does decrease the cap that can be gained from taxpayers. The supporters say that, now, it changes the five percent or CPI to three percent or CPI, whichever is lower. Supporters say that people are getting taxed out of their homes, and this bill seeks to keep people who

are struggling to make ends meet in their homes. Supporters also say this bill will slow down the growth of real property taxes.

Testifying in person for the bill were Representative Matthiesen; Arnie Dienoff.

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.