HB 629 -- PERSONAL PROPERTY ASSESSMENTS (McGirl)

COMMITTEE OF ORIGIN: Special Committee on Tax Reform

Currently, local County Assessors determine the value of new construction and improvements of both real and personal property by maintaining a yearly record of increases in valuation for each political subdivision in the county that results from new construction or improvements. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property.

Beginning January 1, 2027, any increase in the aggregate valuation of personal property for the current year over that of the previous year can not be counted as new construction.

Currently, personal property is assessed at 33.3% of its true value in money as of January 1st of each calendar year. Beginning January 1, 2026, personal property must be assessed at 30% of its true value in money.

Currently, local County Assessors use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide (NADA) to determine the true value of motor vehicles for the purposes of personal property tax assessments. This bill requires the State Tax Commission to choose a nationally recognized publication, such as the NADA, Kelley Blue Book, Edmunds, or any other similar publication, and allows the Assessor to use the current or any of the three immediately previous years' October issue of such publication.