

HB 783 -- PROPERTY TAX RATE ADJUSTMENTS AFTER A VOLUNTARY REDUCTION

SPONSOR: Keathley

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 5 to 3. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 7 to 3.

Currently, the governing body of a political subdivision may levy a tax rate lower than its tax rate ceiling. The governing body may, in a non-reassessment year, increase the lowered tax rate without voter approval, so long as the increased rate does not exceed the tax rate ceiling.

This bill clarifies current law by stating that reductions to the tax rate ceiling in a non-reassessment year will be applied in the immediately following year of general assessment. This bill also clarifies current law by stating that the governing body of a political subdivision may, in a non-reassessment year, increase the previously lowered tax rate in the manner provided in the bill, and that the increases to the tax rate ceiling in a non-reassessment year will be applied in the immediately following year of general assessment.

PROPONENTS: Supporters say that this is a clarifying bill that mirrors how language appears in the auditor's report as it relates to the tax rate ceiling. Currently, there are times when a jurisdiction uses a tax rate ceiling that was imposed decades ago and it increases without going to a vote of the people. Supporters say this bill will address this problem by specifically clarifying the part of the auditor's report that says if you don't make an adjustment immediately, the lower rate will be adopted, unless it goes back to the vote of the people. Supporters say the bill does not change the ability to lower the levy rate or increase it by public hearing or vote of the people.

Testifying in person for the bill were Representative Keathley; 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.