

HB 2651 -- LOCAL PROPERTY TAXES

SPONSOR: Byrnes

Currently, certain counties, cities, political subdivisions, or other taxing districts can propose the imposition, continuation, modification, or elimination of a property tax to the voters at certain times of the year. This bill provides that these proposals must be submitted to the voters at the general election in November.

This bill provides that new construction and improvements will no longer be excluded from the aggregate assessed valuation calculation, as it relates to the Hancock Amendment, setting real property tax levies, inflationary assessment growth, and adjusted tax rate ceilings.

Currently, any political subdivision that received approval for a tax rate increase can levy a property tax rate to collect substantially the same amount of tax revenue as the amount of revenue that would have been derived by applying the voter-approved increased tax rate ceiling to the total assessed valuation of the political subdivision. However, the tax rate must not exceed the greater of the most recent voter-approved rate or the most recent adjusted voter-approved rate.

The bill removes mention of the single tax rate in the exception and provides that the rates of levy for each subclass of real property, individually, and personal property, in the aggregate, must not exceed the greater of the most recent voter-approved rate or most recent adjusted voter approved rate.

Currently, if the tax revenue from various tax rates is different than the tax revenue that would have been determined from a single tax rate, then the political subdivision must revise the tax rates of those subclasses of real property, individually, and/or personal property, in the aggregate that had a tax rate reduction. This revision must yield an amount equal to the difference and must be apportioned among the subclasses of real property, individually, and/or personal property, in the aggregate, based on the relative assessed valuation of the class or subclasses that experienced the tax rate reduction. Additionally, for school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, or that had voter-approved ballots that set or increased the subclass rates differently prior to 2011, a blended tax rate must be used to calculate the single tax rate.

This bill repeals this language. Political subdivisions are no longer required to compare revenues generated by multiple levies to a single-rate baseline or to adjust multiple levies based on a single-rate baseline.

As it relates to setting property tax rates, the bill repeals mention of a single property tax rate and replaces such language with that relating to multiple tax rates.

Currently, any county and city not within a county can opt-out of implementing the provisions of certain sections of HB 1150 (2002), and certain provisions of SB 960, which include setting separate levies to be calculated for each subclass of real property and for personal property using the assessed valuation for each class of real property and of personal property. Any county and city not within a county can also opt-out of implementing certain provisions of HB 1150 (2002) and certain provisions of SB 960 as they relate to tax rate ceilings, blended tax rates, tax rate calculations, and credit card usage to pay property taxes.

This bill repeals the references to the provisions of HB 1150 (2002) and SB 960 (2004), as well as the corresponding procedures to opt-out of or to implement such provisions.

The bill requires that, beginning January 1, 2027, each county and city not within a county determine the assessed valuation, set and revise rates of levy, and make adjustments to current levies for each subclass of real property, individually, and personal property, in the aggregate.