

HB 3476 -- ASSESSMENT LIMITATIONS

SPONSOR: Reedy

This bill provides for a roll-back trigger on the assessment ratio as it relates to personal property and real property tax assessments. The bill provides that, for future calculations of assessment ratios and beginning January 1, 2027, the base year assessments for future calculations of assessment ratios will be: 33.3% for personal property; 19% for residential real property; 12% for agricultural and horticultural real property; and 32% for commercial real property.

Beginning January 1, 2027, the State Tax Commission (STC) must calculate the statewide increase in value for each subclass of real property, individually. The STC must then revise the assessment ratios for each subclass of real property so that the statewide assessed value for each subclass of real property is the same amount as the previous general reassessment year's statewide assessed value plus inflationary growth. The inflationary assessment growth must be limited to the total assessed value growth in each subclass of real property, individually, and personal property, in the aggregate, not to exceed the lessor of the increase in inflation or 5%.

Currently, to determine the projected tax liability, the assessor must provide the clerk with the assessment book, and this assessment book must contain:

- (1) Real estate values for the current year;
- (2) State assessed values from the previous year; and
- (3) Personal property values from the previous year.

In addition to this assessment book, the bill requires the assessor to also provide the STC with the values needed to calculate the assessment ratios, and the calculated assessment ratios must be submitted to each assessor's office by March 15th.

Currently, the clerk must make an abstract of the assessment book containing certain information for each political subdivision entitled to levy ad valorem taxes on property by March 15th. This bill changes this deadline to March 30th.

Currently, the governing body of each political subdivision or an individual designee must use the information in the abstract to project a nonbinding tax levy and return such projected tax levy

to the clerk by April 8th. This bill changes this deadline to April 15th.