

Finance

HB 1489

Brief Description: Requiring the department of revenue to develop an assessment improvement plan.

Sponsors: Representatives Carrell, Morris, Roach, Lambert, Boldt, Cairnes, Benson and Marine.

Brief Summary of Bill

- *Requires the Department of Revenue to develop a plan to improve property tax assessment uniformity, accuracy, and accountability.*

Hearing Date: 2/7/01

Staff: Rick Peterson (786-7150).

Background:

All real and personal property in this state is subject to the property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The assessed value is defined to be 100 percent of the property's true and fair value (market value). The assessed value takes into account, among other factors, development regulations, zoning, and other governmental policies or practices that affect the use of property.

County assessors establish new assessed values on a regular revaluation cycle. The length of revaluation cycles varies by county. The most common length is four years, which is the maximum allowed by statute. Of the 39 counties, 20 revalue every four years. San Juan revalues every three years. Douglas revalues every two years. Seventeen counties revalue every year.

If a county's revaluation cycle is longer than two years, an equal portion of the county must be revalued during each year of the cycle. Individual property values are not changed during the intervening years of the revaluation cycle.

Counties on revaluation cycles longer than one year must physically inspect each property at the time it is revalued. If a county revalues property annually, physical inspection of each property is required only once every six years. Values are adjusted annually based on market value statistical data.

The Department of Revenue has general supervisory responsibility over the administration of the assessment process. The goal is uniformity in administration and equality of taxation.

Summary of Bill:

The Department of Revenue is required to develop a plan to improve property tax assessment uniformity, accuracy, and accountability. The plan will provide recommendations for a quality assessment administration that is efficient and cost effective. The Department will provide cost estimates for implementing the plan. The plan must be submitted to the Legislature before January 1, 2002.

Appropriation: None.

Fiscal Note: Requested on January 30, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.