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## DIGEST

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Kleckley

HB No. 514

**Abstract:** Requires the phase in over a three-year period of the amount of an increase in the assessed value of property if, at the time of reappraisal, the property's assessed value increases by greater than 15% of the assessed value in the previous year.

Present constitution requires property subject to ad valorem taxes to be listed on the assessment roles at its assessed value which is a percentage of its fair market value. Requires all property subject to taxation to be reappraised and valued at intervals of not more than four years.

Proposed constitutional amendment retains the present constitution but provides that in a reassessment year, if the property's assessed value increases by greater than 15% of the amount of the property's assessed value in the previous year, the assessor shall phase in the amount of the increase in the property's assessed value over a three-year period.

Proposed constitutional amendment prohibits property subject to the provisions of this proposed constitutional amendment from being reappraised by an assessor until after the three-year phase in of the increase in the amount of the property's assessed value is complete.

Proposed constitutional amendment provides that the increase in assessed valuation of property phased in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes under present constitution. Further provides that the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of the phase in of assessed valuation shall be absorbed by the taxing authority and shall not create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.

Proposed constitutional amendment provides that implementation of the phase in of increase in assessed valuation shall neither trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to present constitution. Further provides that proposed constitutional amendment shall not apply to the extent the increase was attributable to construction on or improvements to the property.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Const. Art. VII, §18(A) and (F))

## Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added a provision that the increase in assessed valuation of property phased in shall be included as taxable property for purposes of any subsequent reappraisals and valuation for millage adjustment purposes and the decrease in the total amount of ad valorem tax collected by a taxing authority as a result of this phase in of assessed valuation shall be absorbed by the taxing authority and shall not create any additional tax liability for other taxpayers in the taxing district as a result of any subsequent reappraisal and valuation or millage adjustment.
2. Added prohibition that implementation of the phase in of increase in assessed valuation shall not trigger nor be cause for a reappraisal of property or an adjustment of millages pursuant to the constitution.
3. Added provision that proposed constitutional amendment shall not apply to the extent the increase in assessed value was attributable to construction on or improvements to the property.