

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7916

BILL NUMBER: HB 2053

DATE PREPARED: Jan 25, 1999

BILL AMENDED:

SUBJECT: Reassessment of lots on newly subdivided land.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires newly subdivided land to be reassessed on a lot basis rather than an acreage basis when a certificate of occupancy or other approval is issued for a lot rather than when legal or equitable title to the lot is transferred. It requires notice of the issuance of a certificate of occupancy or other approval to be filed with the county assessor. The bill also corrects a statutory cross reference.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: The State levies a one cent tax rate for State fair and State forestry. Any increase in the assessed value base will increase the property tax revenue for these two funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Currently, when land that is assessed on an acreage basis is subdivided into lots, it must be reassessed. The lots may not be reassessed until the assessment date following a change in title.

If certificates of occupancy are required for structures that are built on the lots, this bill would require reassessment of the lots on the assessment date following the date when a government agency certifies that the structure on the lot may be occupied. If a certificate of occupancy is required, the government agency issuing the certification would be required to file a copy of the certification with the county assessor by the tenth day of the month following the month in which it was issued.

If there is a lag between the time that the certification of occupancy is issued and the date that title changes and that lag includes the assessment date (March 1), the property would be reassessed sooner under this bill

than under current law. The earlier reassessment would place the new value into the assessed value (AV) base used to determine tax rates earlier. Additional AV would reduce the tax rate and shift part of the tax burden from all other taxpayers to the owners of the subdivided lots.

State Agencies Affected:

Local Agencies Affected: County assessors; Agencies that certify occupancy.

Information Sources: