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FISCAL IMPACT REPORT

ORIGINAL DATE 02/24/11

SPONSOR Garcia, M.P. LAST UPDATED _____ HB 482

SHORT TITLE Estimated Tax in Notices of Valuation SB _____

ANALYST Golebiewski

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate but Small	Indeterminate but Small		Recurring	County Assessors

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

House Bill 482 would require county assessors to include estimates of the property taxes due by the taxpayer in the annual notice they send to property taxpayers.

FISCAL IMPLICATIONS

There is not likely to be any fiscal impact related to HB 482, except for additional operating budget impact discussed below in the Administrative Implications section.

SIGNIFICANT ISSUES

Including an estimate of taxes due in the annual notice will help taxpayers understand the bottom line of their taxes due, understanding that the value they are provided is only an estimate. Currently, they are provided many of the components of the tax calculation, but have to understand the tax sufficiently to calculate it independently.

DFA:

Including an estimate of taxes due as part of the Property Tax valuations ... would also allow taxpayers to realize the potential impact of increased property valuations. By issuing an estimate by April 1st, taxpayers would have the opportunity to proactively protest their property tax valuations.

ADMINISTRATIVE IMPLICATIONS

Counties would have to incur the costs of revising their property tax valuation software or creating other mechanisms to include the estimate of tax due in their notices.

DFA:

The bill would have to state clearly that the taxes are an estimate based on prior year certified rates multiplied by current year valuations. Both the county assessors' and treasurers' office may see an increase in taxpayer inquiries as a result of implementing this bill.

JAG/svb