

HCS HB 2373 -- TAX LEVY REVISIONS

SPONSOR: Smith, 14 (Funderburk)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Reform by a vote of 10 to 0.

This substitute allows any political subdivision that approved a tax increase after August 27, 2008, to levy a rate to collect substantially the same amount of tax revenue as would have been collected by applying the voter-approved increased tax rate ceiling to the total assessed valuation of the political subdivision on or before the election date, increased by the percentage increase in the federal Consumer Price Index; however, the rate cannot exceed the greater of the most recent voter-approved rate or the most recent voter-approved adjusted rate.

Currently, certain political subdivisions that levy separate tax rates on the different subclasses of property are required to revise tax rates when there is a tax rate reduction after certain tax revenue calculations. The substitute allows the subdivisions to revise the rates. If voters approve separate stated tax rates to be applied to the different subclasses of property or increase the separate rates that may be levied on the different subclasses of property by different amounts, the single tax rate calculation must be a blended rate that is to be calculated in the manner specified in law.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will allow a taxing district to maintain the same base revenue level from the previous year and add the full amount of the new voter-approved rate when that rate is approved as a specific amount. The bill makes a technical correction to language passed in Senate Bill 711 in 2008.

Testifying for the bill were Representative Funderburk; and Fire Chief Russell Mason, Central County Fire and Rescue.

OPPOSERS: There was no opposition voiced to the committee.