

HB 1078 -- ASSESSED VALUATION OF REAL PROPERTY

SPONSOR: Chappell

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 7 to 4. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 6 to 3.

Beginning January 1, 2024, the true value in money of real property for assessment purposes shall be equal to the most recent purchase price of such real property. Such true value in money shall be the true value in money for all subsequent assessments until the next sale of such property.

As specified in the bill, if a homeowner makes additions or improvements to the property, and those additions or improvements increase the value of said property by 50% or more, the homeowner shall notify the assessor. The assessor shall then establish a new assessed valuation, which shall be the true value in money for all subsequent assessments until the next sale of such property.

If the sale of a piece of real estate results in a transaction that is below market value, the assessor shall provide evidence to the Board of Equalization or other equivalent entity that such sale price should not be used as the new true value in money for assessment purposes.

If a homeowner does not want to participate in the assessed valuation provisions under this bill, such owner may opt out by notifying the assessor's office, and the homeowners' real property shall be assessed under the assessment process in existence on or before December 31, 2023.

PROPONENTS: Supporters say that fixing the value of real estate to the price at which it most recently sold will ensure that the assessment process will be far more efficient, and will result in more fairness. Furthermore, if assessments are based on something other than the price at which the real estate sold, then the homeowner is likely to be taxed on an unrealized gain. This bill would therefore provide more consistency in the process and give homeowners the ability to budget their income more efficiently.

Testifying in person for the bill was Representative Chappell.

OPPONENTS: There was no opposition voiced to the committee.