

SENATE BILL REPORT

SB 5870

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
JANUARY 27, 1994

Brief Description: Concerning the tax value of new construction.

SPONSORS: Senators Haugen and McCaslin

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5870 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, McCaslin, Oke, Owen and Winsley.

Staff: Diane Smith (786-7410)

Hearing Dates: March 2, 1993; March 3, 1993; January 27, 1994

BACKGROUND:

County assessors must make a physical inspection of new construction before the value of the new construction can be added to the tax rolls. Due to the budgetary cutbacks of the assessors' offices and the dramatic rise in new construction, the assessors are experiencing a lag time of several years before new construction can be added to the tax rolls.

SUMMARY:

The 12 month period is deleted. The county assessor has the option to appraise the building or buildings covered by the permit, or place the improvements on the tax roll at the time notice is received of the final inspection or occupancy permit.

EFFECT OF PROPOSED SUBSTITUTE:

The county assessor may place the value of new construction on the tax rolls based upon the representations made on the building permit. That value may be adjusted to conform to the value determined at the time a physical inspection is completed. The taxpayer shall be notified both that the assessment is based on the building permit and that the value may be adjusted at a later date. The property owner is subject to penalty of perjury for false statements made on the building permit. The property owner may also be subject to a penalty, if a penalty is assessed by the county legislative authority for failure to make a truthful disclosure on the building permit of the actual cost to construct the improvement.

Appropriation: none

Revenue: none

Fiscal Note: none requested

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one