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FISCAL IMPACT REPORT

ORIGINAL DATE 2/8/08

SPONSOR Taylor LAST UPDATED _____ HB _____

SHORT TITLE Property Tax Administrative Threshold SB 483

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	Minimal		Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

There are several bills that relate to property tax – a listing is below.

SOURCES OF INFORMATION

LFC Files

Response Received from

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 483 increases the amount of administrative fee a county can charge for certain property tax bills. Under current law, if the property tax owed is less than \$5.00 but greater than zero, a county can charge an administrative fee so that the total tax plus administrative fee does not exceed \$5.00. This bill changes that threshold to \$15.

FISCAL IMPLICATIONS

The fiscal implications are likely to be minimal increases to county revenues. It is unknown how many taxpayers owe so little tax that they would be subject to this administrative fee or how many counties have passed the required resolution to charge the fee. TRD reports that several counties have many properties that have essentially no taxable value but that the total amount of impact for *all* counties is likely less than \$50,000.

SIGNIFICANT ISSUES

The effect of the bill is to set the minimum property tax at \$15.00 unless the taxpayer owes no property tax.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Other property tax related legislation being considered in the 2008 session:

Bill Number	Title	Description
H229	END YIELD CONTROL ON SCHOOL MILL LEVY	Allow school districts to levy posted tax rate
H264	RESIDENTIAL PROPERTY TRANSFER AFFIDAVITS	Allow affidavits about property value to be used for county protests
H276/SB398	SUNCAL TAX INCREMENT PROJECT BONDS	10 percent diversion of Bernalillo County property taxes to tax increment district
H295/SB355/SB116	RAISE PROPERTY TAX LIMITATION INCOME LIMIT	Raise the income threshold for taxpayers over age 65
H324	CHARITABLE CARE PROPERTY TAX VALUATION	Exempt certain nursing homes from valuation
H388	REQUIRE DISCLOSURE OF REAL PROPERTY TAXES	Disclosure of estimated property tax to home buyers
H617	PROPERTY TAX ON COMMUNICATIONS SYSTEM LAND	Expand the definition of communication system land in exemption
HJR1	NATIONAL GUARD VETERAN PROPERTY TAXES, CA	Include national guard veterans in military veteran exemption
HJR4	SENIOR CITIZEN PROPERTY TAX EXEMPTION, CA	Phase out property tax for seniors
HJR6	VETERANS' ORGANIZATION PROPERTY TAXES, CA	Exempt certain property from valuation
HJR10	STATEWIDE MILLAGE RATE FOR SCHOOL FUNDS, CA	Add additional 5 mills for education on statewide property tax
S449	LOW-INCOME PROPERTY TAX REBATE ELIGIBILITY	Expand income threshold for local government low income property tax rebate
S450	PROPERTY TAX VALUATION & REASSESSMENT	Revalue property that transferred in 2005/2006 to 2004 levels
S483	PROPERTY TAX ADMINISTRATIVE FEE THRESHOLD	Raise minimum amount of tax admin fee plus tax to \$15
S516	PROPERTY TAX DELINQUENCY NOTICES & TIMING	Extends the time limit property tax can be delinquent before sold.
SJR11	HEAD OF FAMILY PROPERTY TAX EXEMPTION, CA	Increases head of family exemption to \$20,000 from \$2,000.
SJR14	PROPERTY TAX LIMITATIONS, CA	Imposes maximum total tax levy of no more than 1 percent of current and correct tax value.

NF/bb