



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 806

PRINTERS NO. 1429

PRIME SPONSOR: Causer

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0

SUMMARY: House Bill 806, Printer's Number 1429, amends the Clean and Green law to prohibit the application of use values that result in assessments higher than fair market value.

ANALYSIS: This bill amends Act 319 of 1974, known as the Farmland and Forest Land Assessment Act or the "Clean and Green" program. It adds new language outlining the responsibilities and requirements of county assessors when applying use values for properties enrolled in the program. For example, with forest reserve lands, a county assessor may apply an average value of all forest classification types within the county, but must apply the use value for a specific forest classification type if the landowner provides a statement defining the predominant type on his land.

It also requires a county assessor to apply the use values in effect on the effective date of the bill (being January 1, 2016) until the next countywide assessment. In a year of a countywide reassessment, it requires a county assessor to apply new values to all land currently enrolled and all applications filed in the year of reassessment, and apply these values for the following years until the next countywide reassessment. Counties cannot change the values established until a countywide reassessment, or unless the land use category changes.

The enrollment of land for preferential assessment under the program may not result in assessments that are higher than if the land had not been enrolled in Clean and Green. A county assessor may not establish or apply a use value to any land enrolled that is greater than the assessment value that would apply to the land if the land were not enrolled in Clean and Green and must apply the lower of the values on properties enrolled in the program.

This legislation would take effect on January 1, 2016 or immediately, whichever is later.

FISCAL IMPACT: Enactment of this legislation will have no impact on Commonwealth funds. However, passage of this bill could result in the potential loss of tax revenue to the county as the lowest possible value of the land shall be applied and used until the next countywide assessment.

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House Appropriations Committee (R)

DATE: June 2, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.