



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1564

PRINTERS NO. 3497

PRIME SPONSOR: Emrick

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0
Political Subdivision Funds	\$0	See "Fiscal Impact"

**SUMMARY:** Amends Titles 42, 53, and 57 providing for notarial acts to be performed remotely; local government emergency measures; and to establish a new procedure to value manufactured homes that allows for the use of depreciation when determining the value of a manufactured home. The portion of the legislation relating to the assessment of manufactured homes would take effect on January 1st of the year following the date of enactment while the remainder of the legislation would take effect immediately.

**ANALYSIS:** This legislation provides for the following:

- to permit notaries in the Commonwealth to notarize documents electronically via audio-visual communication;
- local government emergency measures including the ability to conduct its business through telecommunication devices; and
- to establish a new procedure to value manufactured homes that allows for the use of depreciation when determining the value of manufactured homes during county wide reassessments or upon appeal by the homeowner by making the following changes.

**Notarial Acts Performed Remotely:** The legislation adds language that amends Title 57 (Notaries Public) and 42 (Judiciary and Judicial procedure) to permit notaries in the Commonwealth to notarize documents electronically via audio-visual communication.

In order to remotely notarize a document, the individual may comply by appearing before a notary by means of communication technology if the notary:

- Has personal knowledge of the individual;
- Has evidence of the individual from a witness; and
- Is able to reasonably identify the individual by two different forms of identification.

The Department of State may promulgate regulations on remote notarization.

**Local Government Emergency Measures:** This legislation amends Title 53 (Municipalities Generally) to allow municipalities for the duration of a statewide emergency declaration to conduct its business through telecommunication devices, provided they allow all members to hear and make comments on issues. The legislation also provides that a physical quorum is not necessary for the duration of the emergency to conduct business provided that the following criteria are met:

- The municipality must allow for public participation to the maximum extent available by doing any of the following:
  - By posting notice in the newspaper and on its website 24 hours in advance of the meeting on how to participate remotely.
  - By live streaming the meeting.
  - By recording the meeting and posting it on the website within 24 hours of the meeting.
  - By making a copy of the minutes available within 48 hours of the meeting.
- If the municipality takes any sort of executive, legislative, or judicial action during the duration of the emergency, the municipality must adopt a resolution at the first meeting after the end of the emergency detailing any and all actions taken during the emergency.

The legislation also allows municipalities to delay the approval of any and all applications that fall under the Development Permit Extension Act for the duration of the emergency provided that:

- This shall only apply if the final approval day falls within the duration of the emergency.
- Any permit that falls in this period shall have its process suspended or tolled for the duration of the emergency.
- The municipality shall notify all applicants in writing of the tolling.
- The applicant shall have the option to request a meeting during the emergency, but it shall be at the discretion of the municipality to go forward with the meeting.

**Assessment of Manufactured Homes:** The legislation amends the Consolidated County Assessment Law (Chapter 88 of Title 53) to allow for the use of depreciation when determining the value of a manufactured home.

The legislation establishes two new definitions for mobile homes and manufactured homes.

- A “mobile home” is defined as a structure manufactured before 1976, that was designed and used exclusively for living space or commercial purposes, but only incidentally operated on a highway.
- A “manufactured home” is defined as a structure designed and used exclusively for living space or a structure that conforms with Section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974.

In order to establish new procedures for assessors to use to calculate the value of a manufactured home or mobile home, this legislation amends Section 8821 of the Consolidated County Assessment Act, to create a new subsection (a.1).

The new subsection requires an assessor to consider the following factors when arriving at the value:

- The value of the mobile home or manufactured home as determined by the most recent national directory or valuation guide prepared by an association that analyzes the sales of similar types of properties.
- Any depreciation in value of the unit.
- The ability of the unit to be moved from one site to another.
- The fair market value of the unit, using the approaches applied to other types of property found in Section 8842(b)(1).
- Any improvements made to the mobile home or manufactured home.

The legislation also replaces the term “house trailer” with the term “manufactured home” throughout the legislation.

**FISCAL IMPACT:** This legislation could essentially alter the assessments of manufactured homes. Therefore, political subdivisions may see slight changes in property taxes depending on the changes in assessments. Any estimate of such changes in revenue is indeterminable at this point.

The remainder of the legislation would have no adverse fiscal impact on Commonwealth or political subdivision funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** March 25, 2020

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