



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1564

PRINTERS NO. 3901

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 the Consolidated County Assessment Law, Chapter 88 of Title 53 (Municipalities Generally) to permit a county real estate assessor to consider the value published in a national directory or valuation guide of a mobile home or manufactured home when determining the value of the property for taxation purposes; to provide an exception for a court ordered reassessment during the COVID-19 disaster; and to suspend the training requirement for assessment board members during a Governor's disaster declaration. 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:

- Permits a county real estate assessor to consider the value published in a national directory or valuation guide of a mobile home or manufactured home when determining the value of the property for taxation purposes.
- Provides an exception for a court ordered reassessment during the COVID-19 disaster.
- Suspends the training requirement for assessment board members during a Governor's disaster declaration

Assessment of Manufactured Homes: The legislation amends the Consolidated County Assessment Law 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.

Court Ordered Reassessment During COVID-19: The legislation also amends Section 8848 which deals with county wide reassessments to grant additional time to hear appeals of assessments for counties that are completing a court ordered reassessment. Counties that meet these criteria will have to mail a notice to all property owners by July 1st explaining to them that they have the right appeal their valuations until September 1st. The Assessment board shall have until no later than November 15th to complete all the appeals.

Training Requirement Suspension During COVID-19: This legislation also allows assessment board members additional time to complete mandatory training during COVID-19. An appointee shall have six months from the end of disaster declaration to complete their training, unless the appointee is in a county completing a court ordered reassessment. Those appointees shall have one year after the termination of the declaration to complete the training.

FISCAL IMPACT: The temporary provisions within this legislation extending certain deadlines for notice and appeals of countywide revisions of assessments during a declared disaster emergency will have no permanent fiscal impact on local funds.

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: June 24, 2020

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