



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1569

PRINTERS NO. 2939

PRIME SPONSOR: Isaacson

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0

SUMMARY: House Bill 1569, Printer's Number 2939, amends Title 53 (Municipalities Generally) providing for limitation on tax increase after countywide reassessment in cities and counties of the first class.

ANALYSIS: House Bill 1569 adds Section 8566 limiting the property tax increase in a city or a county of the first class in the year of a countywide reassessment to no more than 10% of the amount levied in the preceding year.

A taxing district levying its real estate taxes on the revised assessment for the first time shall reduce its tax rate, if necessary, so that the total amount of taxes levied for that year against the real properties contained in the duplicate does not exceed the total amount levied on the same properties in the preceding year. After fixing the tax rate to accomplish this revenue neutral provision, a taxing district may, by a separate and specific vote of the governing body, establish a final tax rate which limits the total amount of taxes levied on real properties contained in the duplicate to be no more than 10% greater than the total amount levied in the preceding year. The amount of taxes levied on newly constructed buildings or structures and new improvements made to existing buildings and structures need not be considered.

A taxing district may increase the limitation on the tax rate through the adoption of an ordinance. Not less than 10 days prior to adopting an ordinance, the governing body shall hold at least one public hearing for the purpose of presenting a summary of the proposed alterations to the tax rate and receiving public comment regarding those alterations.

The act shall take effect in 60 days and apply to taxes levied by the city and county of the first class for the city and county of the first class and taxes levied by the city and county of the first class for a school district of the first class.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: May 13, 2020

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