

To: House Taxation

From: Trey Cocking, Deputy Director

Date: February 23, 2021

RE: Neutral Testimony on House Bill 2272

Mr. Chairman and Committee, thank you for the opportunity to present neutral testimony on HB 2272.

We appreciate the work that has been done with this bill to provide for notifications to taxing entities that are impacted by the bill.

We understand the concern addressed by this bill; however, we have apprehensions about how this bill would operate in practice. This bill would place the portion of the taxes in dispute in escrow and makes those funds unavailable to a city. However, if Senate Bill 13 is passed into law those tax dollars would still be counted towards the tax neutral rate of a taxing entity.

Before passing this bill, the League would request that the city portion of the taxes under dispute not be held in escrow since cities are not involved in the appraisal of real property or the amount under protest to be exempted from the tax neutral rate.

We would ask for the above changes before House Bill 2272 is passed to the House for its consideration.