

HOUSE TAXATION COMMITTEE – ADAM SMITH, CHAIR

HCR 5025 – OPPOSE

THE FOLLOWING TESTIMONY IS WRITTEN ONLY

- 10 YEARS IS TOO LONG FOR AN AVERAGE
 - Our statutory reinspection phase is on a 6 year cycle, this should be the most for an average
 - How would parcels with remodeling &/or new construction be averaged?
 - What do we do with parcels that haven't existed for 10 years? Do they begin an average when they've existed for 2 years, 5 years, 10 years?
 - This would lead to the average taxable value being higher than the fair market value at some point

- WOULD NEED MASSIVE AMOUNTS OF RULES CREATED FOR SPECIAL PROGRAMS SUCH AS NRP, EDX, RHID, ETC
 - Who will govern these and how they are calculated?
 - NRP parcels are already being given a tax rebate on multiple years (determined by each individual NRP plan) due to remodel &/or new construction
 - Grain Bins & Hay Storage are automatically exempt from taxes for 8 years. How would their value then be determined in a 10 year average?
 - EDX properties are typically given a step down rebate over a 10 year period, are these then exempt from being in the 10 year average?

An alternative solution would be to adjust the assessment rate. This would avoid having to create rules for how to calculate the multitude of possibilities a parcel could present.

RESPECTFULLY SUBMITTED

KIM FRODIN, RMA

SCOTT COUNTY APPRAISER