



State Senator William P. Coley II
Senate Bill 123 Sponsor Testimony
Senate Ways and Means Committee
May 3, 2017

Chairman Eklund, Vice Chair Terhar, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to speak with you today about Senate Bill 123.

Senate Bill 123 is a reintroduction of Senate Bill 85 from the last General Assembly. This legislation would permit property tax complaints to be initiated by the property owner or the County Recorder. Currently the county establishes property value through the County Auditor's office. However, after the government sets the valuation through the auditor's office, other governmental entities then get a bite at the valuation apple along with certain interested persons or entities, as each can file a complaint with the county auditor disputing its determination of value for the property. This has resulted in property owners having to consent to the higher valuation set forth in the complaint or spend funds defending the complaint, even if the property owner had no major objection to the original valuation.

While school boards and other governmental entities claim that they file these claims in the interest of fairness, senate questioning during the prior general assembly revealed that these entities only sought increased values and never sought to have a property value reduced. A review of the filings also showed that challenges which result in a higher valuation are made only by entities with no direct stake in the property, while challenges that result in a lower valuation originate from the property owners themselves. To combat this battle of self-interest, Senate Bill 123 would allow for an impartial third party (in the County Recorder) to file these appeals.

These appeals are directed through the Board of Tax Appeals. The Board is currently experiencing a substantial backlog in cases. Recently, the Board, following a review of their procedures has put themselves on track to significantly reduce their caseload – this bill will further help to alleviate that load.

Although this legislation would prevent anyone other than the property owner or County Recorder from filing a complaint, if the property owner files a complaint, all other parties, including local school boards, will continue to receive notification of the complaint and will have a right to defend the complaint or even counter claim that the auditor's valuation is too low. This legislation simply seeks to bring fairness to the process, ensuring that property tax re-evaluations are performed only for their intended reason- to rectify a potential improper evaluation, not simply as a means to reach the plaintiffs desired outcome.

Mr. Chairman and members of the committee, I would like to thank you for your time and consideration and would be happy to answer any questions.