

DEPARTMENT OF TAXATION

2022 Fiscal Impact Statement

1. **Patron** Carrie E. Coyner

3. **Committee** Passed House and Senate

4. **Title** Appeal of Local Tax Assessments

2. **Bill Number** HB 226

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would make technical amendments to the procedures for taxpayer appeals of local tax assessments to the circuit court by clarifying (i) that the necessary parties in such a proceeding are the taxpayer and the locality; (ii) the proper form of naming the locality in the pleadings; and (iii) that when rebutting the presumption of correctness accorded the locality's assessment, the taxpayer may show by a preponderance of the evidence that the property in question was assessed at more or less than its fair market value.

Under current law, any person aggrieved by an assessment of local taxes may apply for relief to the circuit court of the county or city where such assessment was made. The case must be conducted as an action at law before the court, sitting without a jury.

If enacted during the regular session of the 2022 General Assembly, this bill would be effective July 1, 2022.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill could result in administrative costs to localities as a result of the procedural changes. It would have no impact on state administrative costs.

Revenue Impact

This bill would have no impact on state or local revenues.

9. **Specific agency or political subdivisions affected:**

All localities

10. Technical amendment necessary: No

11. Other comments:

Background

Any person assessed with any local tax can appeal to the circuit court in the locality in which the property subject to tax is located to show that the tax was incorrectly assessed. All circuit court proceedings regarding appeals of local tax assessments are conducted as actions at law before the court, sitting without a jury. Other than appeals for real property taxes, the burden of proof rests with the taxpayer to prove that the assessment is incorrect. The county or city attorney, or, if none, the attorney for the Commonwealth, defends the application.

In circuit court proceedings seeking relief from real property taxes, except as otherwise provided, the taxpayer has the burden of rebutting the presumption that the valuation determined by the assessor or adjusted by the board of equalization is correct. The taxpayer must show by a preponderance of the evidence that the property in question is valued at more than its fair market value or that the assessment is not uniform in its application; and that it was not arrived at in accordance with generally accepted appraisal practices, procedures, rules and standards as prescribed by nationally recognized professional appraisal organizations and applicable Virginia law.

Proposal

This bill would make technical amendments to the procedures for taxpayer appeals of local tax assessments to the circuit court by clarifying (i) that the necessary parties in such a proceeding are the taxpayer and the locality; (ii) the proper form of naming the locality in the pleadings; and (iii) that when rebutting the presumption of correctness accorded the locality's assessment, the taxpayer may show by a preponderance of the evidence that the property in question was assessed at more or less than its fair market value.

If enacted during the regular session of the 2022 General Assembly, this bill would be effective July 1, 2022.

cc : Secretary of Finance

1/12/2022: SK
HB226FER161