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HEARING DATE: January 19, 2023

BILL: SB0114

TITLE: Property Tax – Constant Yield Tax Rate – Notice Requirements

SDAT POSITION: LETTER OF INFORMATION

The State Department of Assessments and Taxation (SDAT) offers the following information for SB0543:

The Department is actively looking for ways to improve the constant yield notifications, specifically by modifying the requirement that dictates font size and the mandate of newspaper notifications.

However, this bill requires taxing authorities to publish a title that may be confusing to citizens. When a taxing authority maintains the current tax rate but exceeds the constant yield rate, this is a tax increase.

This bill requires taxing authorities to change the title of the notice from “TAX INCREASE” to “TAX RATE THAT EXCEEDS THE CONSTANT YIELD TAX RATE.”

Public notices are meant to keep the public informed, and this bill will allow jurisdictions to raise more revenue without using the phrase “tax increase.”

For these reasons, SDAT offers this Letter of Information and urges a reconsideration of SB0114 in its current form.