





HF 718 IMPACTS #1: PROPERTY TAX VALUATIONS

Property Tax Valuations

Tax Increment Finance (TIF)

- HF 718, Division II is based non-TIF valuation
- For Fiscal Years 2025-2028**
- If more TIF increment factors into valuations, the city may be less likely to fall into Tier 2 or 3 (and reduce CGFL / revenue growth)
- If less TIF increment factors into valuations, the city may be more likely to fall into Tier 2 or 3 (and reduce CGFL / revenue growth)

**Written prior to SF 2442

5

HF 718 IMPACTS: PROPERTY TAX VALUATIONS

Property Tax Valuations

New Construction

- New construction was not exempted from the valuation growth "triggers"
- The new CGFL will still apply across all property, incl. new construction; however, the same potentially lower levy limit applies to all taxable valuation.

Revaluation

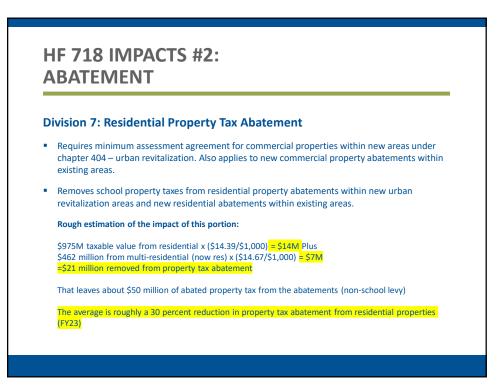
 Revaluation, and the assessment timeline is not factored into the valuation growth "triggers." Cities will be more likely to hit a trigger to lower their CGFL.

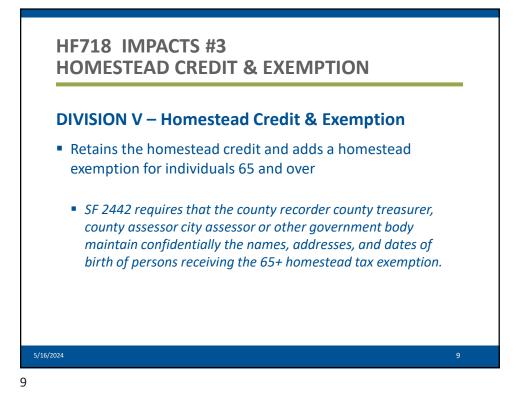
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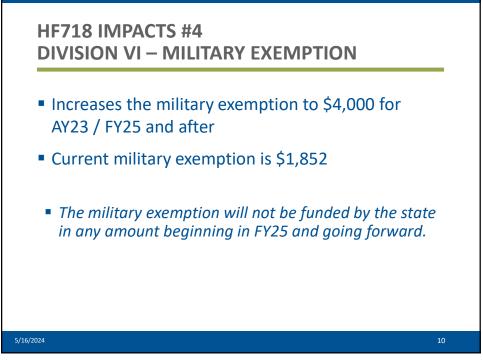
How many cities will be impacted by the FY25-28 CGFL "ratcheting?" Most.

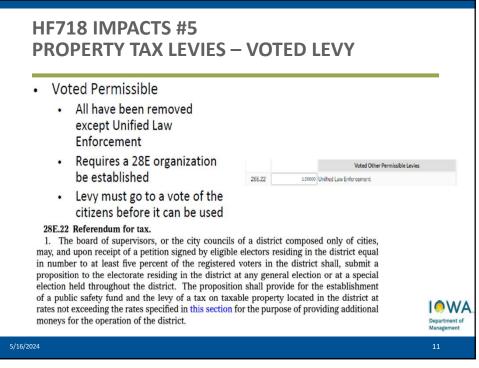
 821 of 929 cities (for which data was available) would have hit a Tier II or III growth at least once over the 4 year period 2020-2023 (88%).

- Caveats:
 - Consider the years over that history, but want to compare similar number of years to the span in the law
 - Adding/comparing more years = more triggers
 - LSA fiscal note analysis on saw 96% of cities impacted at least once over a 6-year period (2017-2023), and 77% of cities over the 6% threshold at least once in the same time period.
- On eliminating levies, LSA notes says that "by FY29, the fiscal impact can be expected to reduce and eliminate much of the \$86M currently raised by the additional [general fund additional] levies, and eliminate the full \$12M raised by the emergency levy (FY23)."

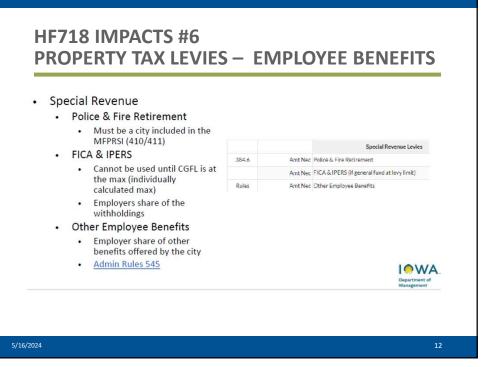


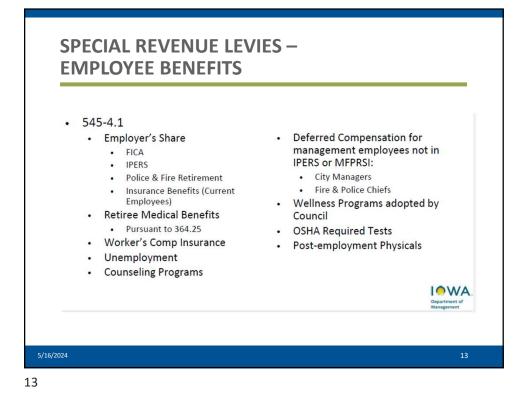


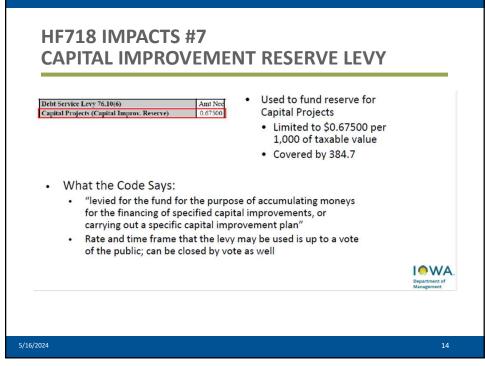




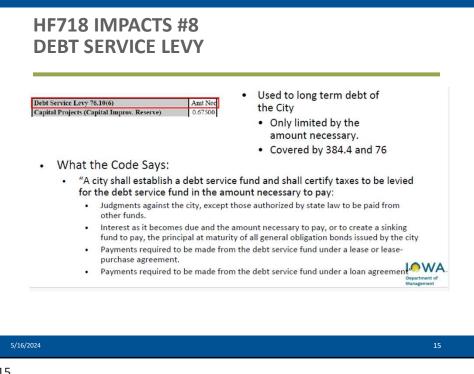




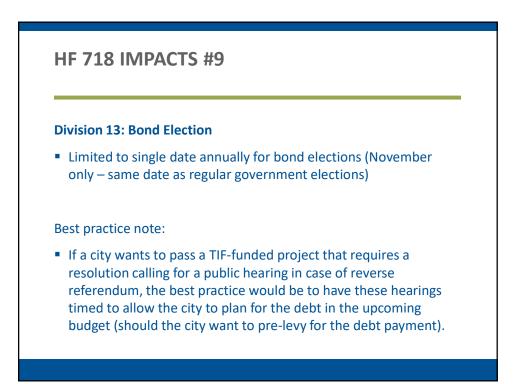


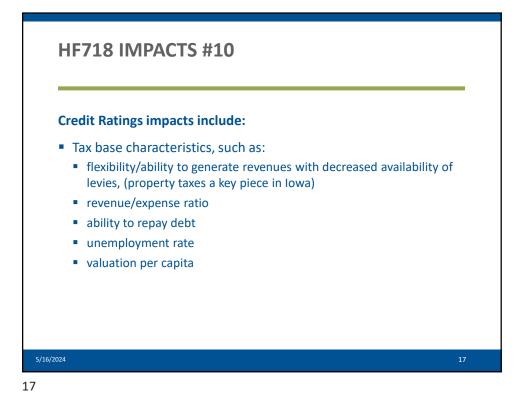


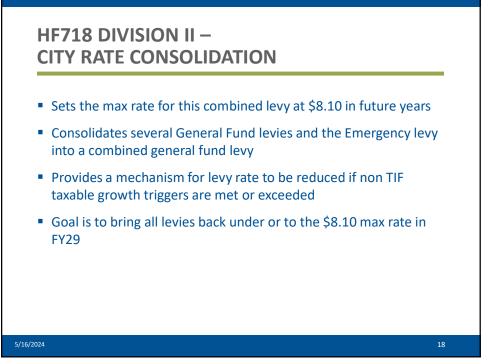


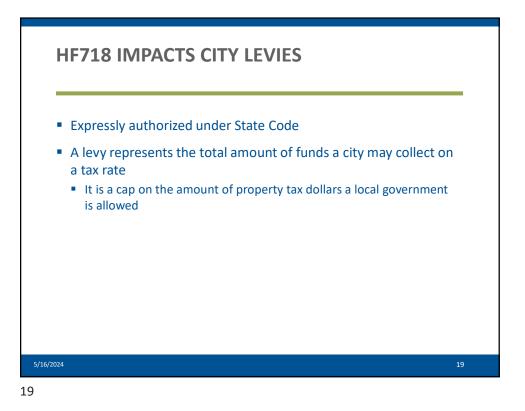








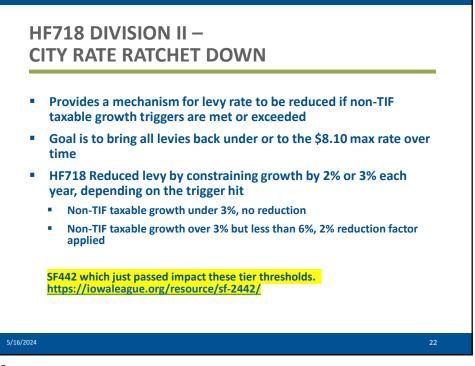




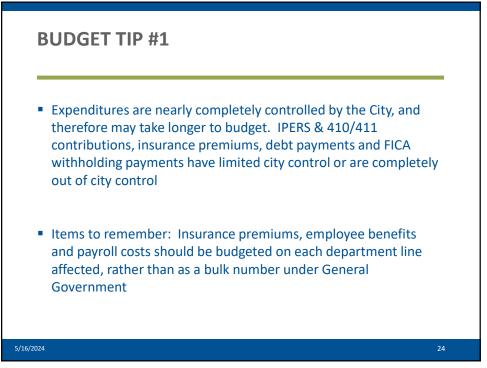


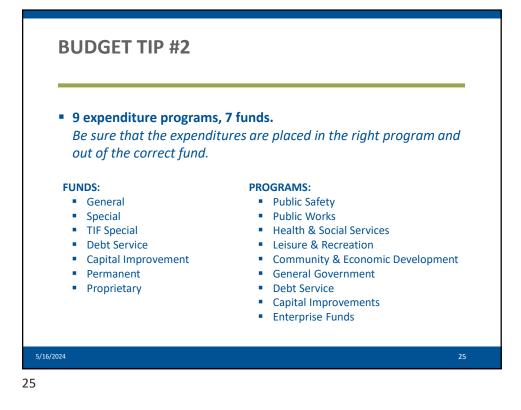


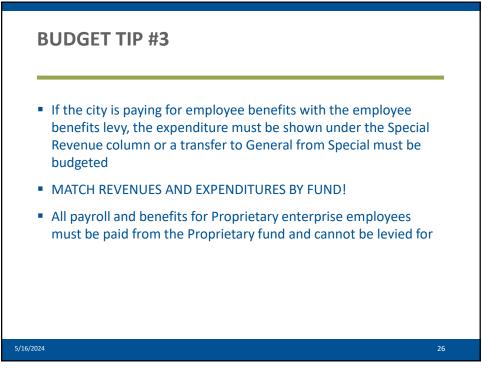


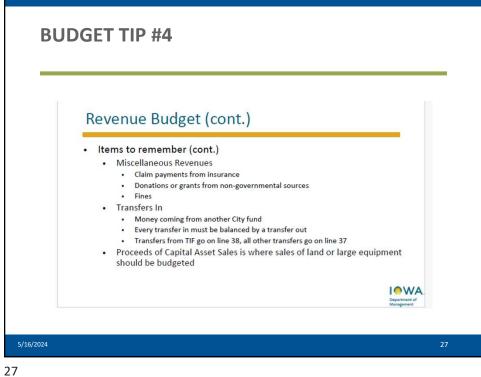




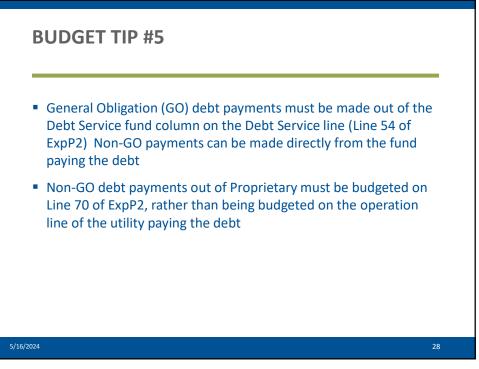


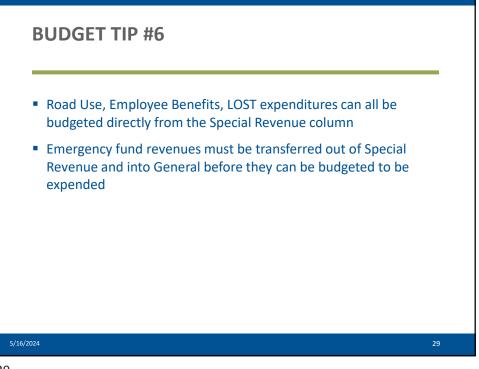


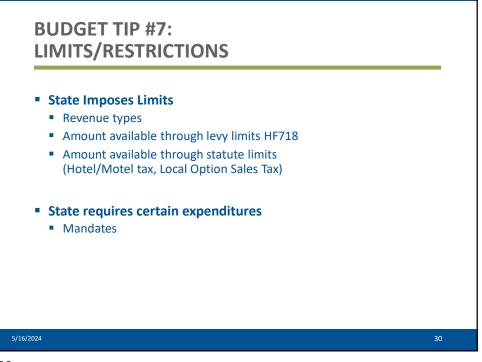


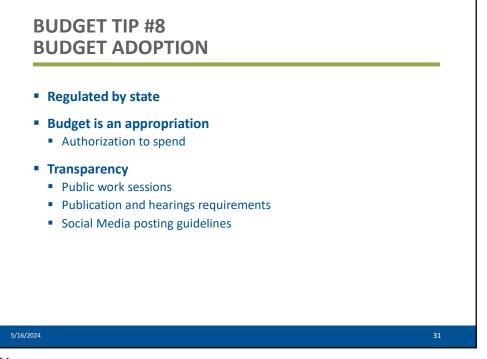




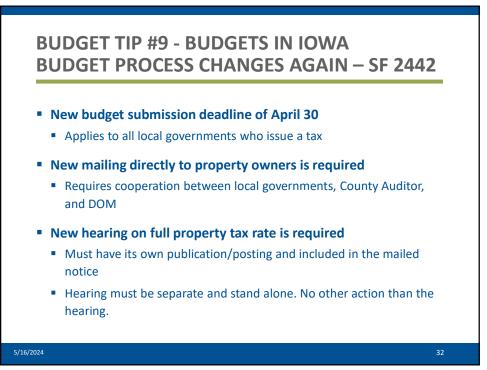


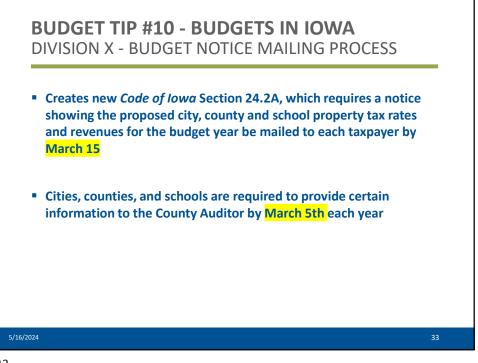


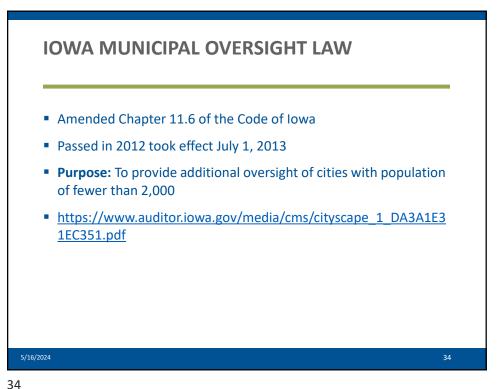


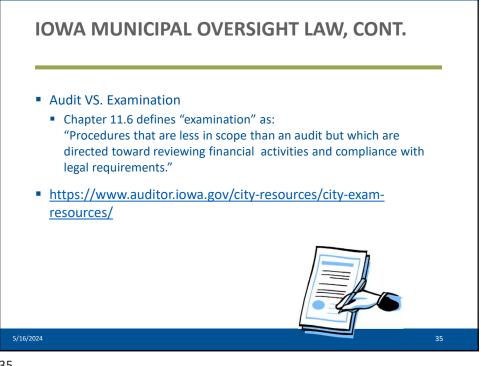




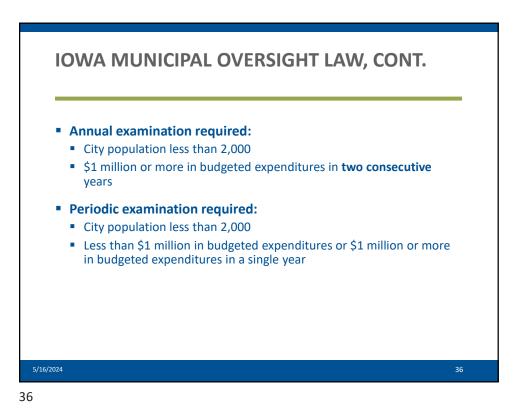


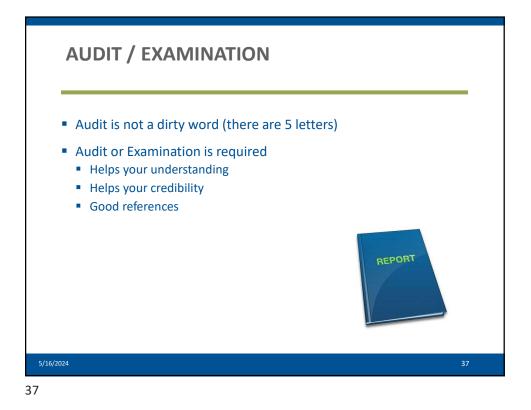




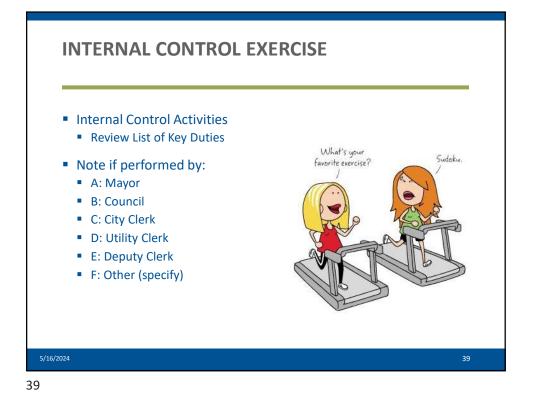


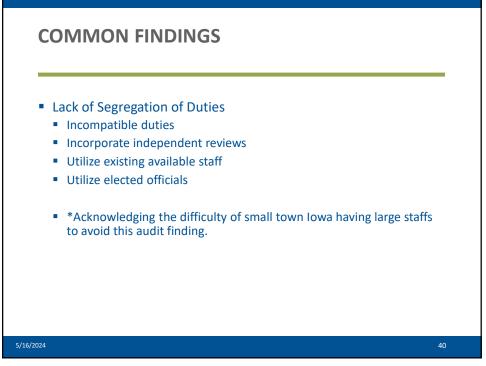






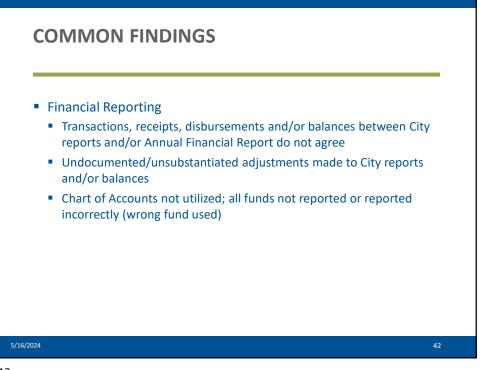


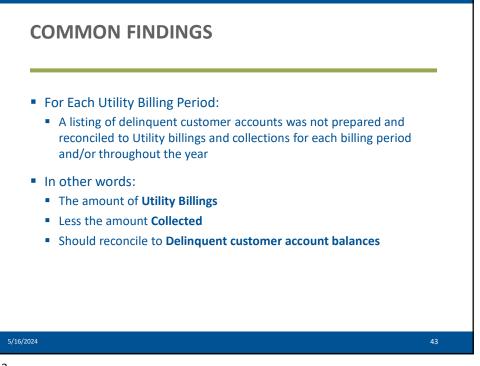


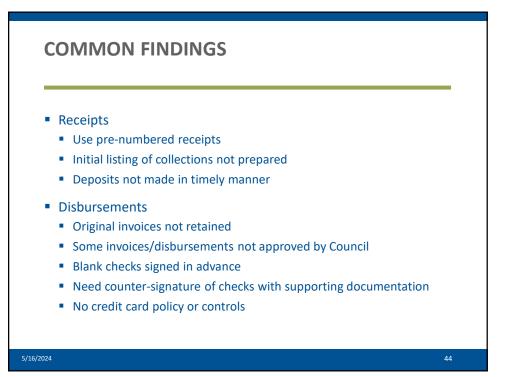


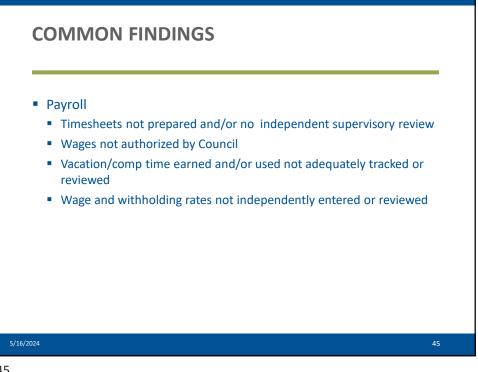




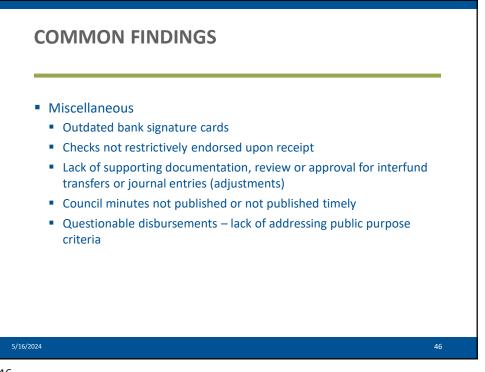


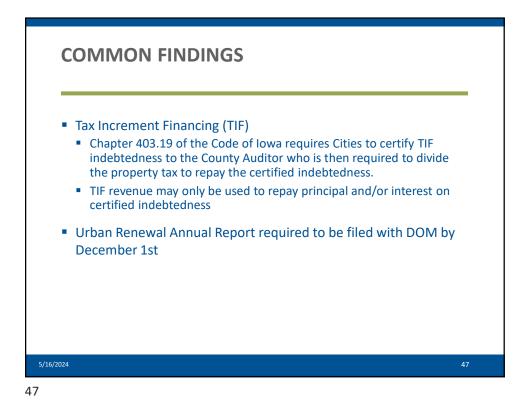


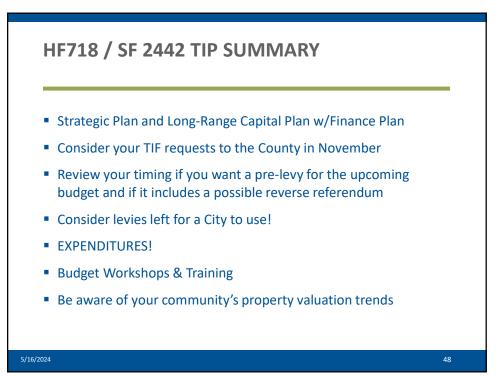














WHAT QUESTIONS DO YOU HAVE?

Thank you!

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