

**SB 141 -1 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 1/28, 3/4

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**WHAT THE MEASURE DOES:**

Adjusts statute for partial property tax exemption to disallow rounding in calculation of equalized floors for vertical housing developments. Adjusts calculation of percentage of property to be exempt from taxation to be the lesser of 20% times the number of equalized floors or 80%. Applies to property tax years beginning on or after July 1, 2021. Takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

**ISSUES DISCUSSED:**

- Concerns regarding rounding of floors
- How low income housing status impacts the eligibility of the land for tax exemption.

**EFFECT OF AMENDMENT:**

-1 Technical amendment that addresses conforming language regarding the definition of equalized floor and subsequent calculation.

**BACKGROUND:**

This is an existing property tax exemption that provides a partial exemption for properties that include both residential and non-residential use. The partial property tax exemption methodology seeks to capture the percentage of the structure that is utilized for residential housing in a mixed use building. Local districts may opt out, or choose not to participate in this exemption. The Department of Revenue estimates that currently \$114 million in assessed value is exempted from the roll. This property tax exemption can be applied to existing buildings, new construction. It may also be applied to land under development if it is designated as including low income housing.