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HB-5158

AN ACT CONCERNING THE STANDARDIZED VALUATION OF
AFFORDABLE RENTAL HOUSING.

AMENDMENT

LCO No.: 5156

File Copy No.: 34

House Calendar No.: 55

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact.

The amendment requires certain low- or moderate-income housing to be valued using the net rental income method of valuation.¹ It also clarifies, by reference to an existing definition, which housing is subject to the valuation method. To the extent municipalities are not already using this method of valuation, there will be a grand list reduction. A grand list reduction results in a revenue loss given a constant mill rate, however, it is likely that a municipality will adjust its mill rate to offset any predicted revenue loss.

The magnitude of the impact is dependent on (1) the difference between the current valuation method the municipality uses, and the net rental income method required under the bill, and (2) the number of properties in each municipality that must be valued differently under the bill.

This method of valuation currently exists as a local option.

¹ The bill impacts certain properties that are entirely affordable housing. The Department of Housing estimates that the valuation method requirement in the bill would apply to approximately 1,100 housing projects statewide.

Municipalities that have already adopted this as a local ordinance will see no fiscal impact.

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