

HB 3194 A STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Beau Olen, Economist

Meeting Dates: 6/21

WHAT THE MEASURE DOES:

Increases the thresholds to determine whether real property improvements constitute "minor construction" for property taxation purposes, from \$10,000 per assessment year or \$25,000 over five years, to \$18,200 per assessment year or \$45,000 over five years. New thresholds are indexed for inflation in subsequent years. Applies to assessment years beginning on or after January 1, 2024. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Minor construction is an improvement to real property that does not result in a change to the property's maximum assessed value. It does not include general maintenance and repairs.