

HOUSE RESEARCH

Bill Summary

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Subject: Providing a valuation reduction for certain energy-efficient commercial property

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Overview

Provides a reduction in the market value of commercial property that meets certain energy-efficient standards. Effective for assessment year 2007, payable in 2008 and thereafter.

Section

1 Valuation of energy-efficient commercial property. (a) Provides that the market value of property classified as commercial/industrial is reduced if it meets certain energy efficient standards.

(b) Provides that to be eligible for a reduction, the property must be certified by a qualified inspector that it is constructed in a manner that will achieve a level of energy consumption that is at least 20 percent lower than the standard set in the state energy code rules. Provides that the percentage reduction in market value is determined as follows:

Percentage of energy consumption below energy code requirement	Percent of market value reduction
20-30%	5%
31-50%	10%
over 50%	15%

Provides that the reductions will remain in effect for the first ten assessment years after the

Section

property has been certified as qualifying.

(c) Requires the Department of Commerce to establish a process for determining eligibility for the valuation reduction, including certification of persons who are qualified to perform this function.

(d) Requires the owner of the commercial property to obtain a certification of the level of the property's qualification under (b), from a person certified under (c). It must be furnished to the county assessor by May 1 of the assessment year in order to qualify for the valuation reduction for taxes payable in the following year.

Effective for assessment year 2007, taxes payable in 2008, and thereafter.