HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 561   **DATE:** March 18, 2009

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Subject: Extends the class 4c property classification to certain rental property

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Overview

H.F. 561 (as amended) extends the 4c property classification (commercial-seasonal-recreational) to property that contains 20 or fewer rental units, is devoted to temporary occupancy, is located in a township or city that has a population of 2,500 or less, and is located outside the seven-county metropolitan area. Effective for the 2009 assessment, taxes payable in 2010, and thereafter.

Section

1   **Class 4c.** Extends the 4c property classification to property that contains 20 or fewer rental units, is devoted to temporary residential occupancy, is located in a township or city that has a population of 2,500 or less, and is located outside the seven-county metropolitan area. This property would have a class rate of 1 percent on the first $500,000 of market value and 1.25 percent on the value in excess of $500,000. The property would be subject to the seasonal-recreational state general tax rate of 18.214 percent (for payable 2009).

Under current law, this property is classified as class 3a which has a class rate of 1.5 percent on the first $150,000 and 2.0 percent on the value in excess of $150,000. The property is subject to the commercial-industrial state general tax rate of 45.535 percent (for payable 2009).

Effective for assessment year 2009, taxes payable in 2010 and thereafter. For the 2009 assessment year, the January 15 application date which the property owner must file with the county assessor is extended to July 1, 2009, for property initially qualifying for this classification.