

SHARED REVENUE AND TAX RELIEF - PROPERTY TAXATION

Assessment of Manufacturing Property
[LFB Paper #685]

Motion:

Move to delete the transfer of responsibility for assessment of manufacturing property from the Department of Revenue (DOR) to local governments and restore that responsibility with the Department of Revenue. Provide the Department of Revenue with \$1,076,300 GPR and 13.5 GPR positions and \$1,076,300 PR and 13.5 PR positions annually in the Bureau of Manufacturing and Telco Assessment for the assessment of manufacturing property. Create a separate program revenue appropriation to fund the PR manufacturing assessment positions and related costs. Authorize DOR to annually impose a special charge on each municipality containing manufacturing property to fund the PR manufacturing assessment positions. Set the charge for each municipality at an amount equal to the municipality's equalized value of manufacturing property multiplied by a rate determined by DOR, which varies from year to year and generates sufficient revenues to offset the Department's budgeted PR costs for the manufacturing assessment function. Provide that the special charge cannot be applied disproportionately to the owners of manufacturing property relative to the owners of other property.

Note:

Under the provisions of Senate Bill 44, the responsibility for assessing manufacturing property would be transferred from the Department of Revenue to local governments, effective with property assessed as of January 1, 2004. In addition, \$2,277,000 GPR and 31.0 GPR positions would be deleted annually from the Bureau of Manufacturing and Telco Assessment to reflect the transfer.

This motion would restore the responsibility for assessing manufacturing property with the Department of Revenue and provide the Department \$1,076,300 GPR and 13.5 GPR positions and \$1,076,300 PR and 13.5 PR positions annually for the assessment of manufacturing property. The program revenue would be provided through a special charge assessed against each municipality where manufacturing property is located. The motion would restore \$124,400 and 4.0 positions less than the amount of funding and number of positions that were deleted in the bill.

[Change to Bill: \$2,152,600 GPR, 13.5 GPR positions, \$2,152,600 PR, and 13.5 PR positions]