

VETOES

would require them also to look into the circumstances in which the property achieved its zoning and the current and past ownership of the property. In addition, relief to this class of property owners will lead to similar demands for relief through changes in the assessment process from other groups of property owners who find their property values to have dramatically increased due to external factors largely beyond their control. The result of creating this and other subclasses of property can only be detrimental to the efficiency and equity of our statewide assessment program.

I understand that several counties currently have the authority to defer a portion of the property taxes of homeowners whose assessments have increased in the circumstances contemplated by Senate Bill 617. This places the responsibility for providing tax relief with the local governing body where it properly belongs. Not only does the local government initiate the change in zoning classification, but it also suffers the principal loss of revenues. Further, the revenues are eventually recaptured when the property leaves the immediate family or is actually put to the higher intensity use allowed by the new zoning. The General Assembly may wish to consider granting authority to all subdivisions in the State to defer the higher property taxes in these circumstances.

Senate Bill 617 also includes technical defects and ambiguities that make its enactment undesirable. The special assessment would apply to the entire property on which the residence is located even if it is several hundred acres or more. The applicability of the bill to higher density residential rezonings, such as for townhouses or condominiums, is unclear. The penalty provisions may be inequitable, both on their impact on owners who use the property for residential purposes for less than 3 years after the rezoning, and in calculating the penalty if tax rates or assessments are adjusted prior to the recapture date.

For those reasons, I have decided to veto Senate Bill 617.

Sincerely,
William Donald Schaefer
Governor

Senate Bill No. 617

AN ACT concerning

Property Tax Credit Assessment - Rezoned Residential Property