



REPRESENTATIVE CATHY MUÑOZ

MEMORANDUM

To: Members of the House Finance Committee

From: Christopher Clark, Aide
Rep. Cathy Muñoz

Date: February 17, 2012

Re: Sectional analysis of CSHB 264 (CRA), relating to a property tax deferral

Kindly note that a sectional analysis of a bill or resolution should not be considered an authoritative interpretation of the measure itself. The legislation is the best statement of its contents.

Section 1. Amends Chapter 29.45, Municipal Taxation, by adding a new section, 29.45.051, that gives a municipality the option to allow a land owner to defer paying all or a portion of a property tax increase that is directly attributable to:

- 1) subdividing a piece of property into three or more parcels; and,
- 2) making improvements necessitated by subdividing land for things such as access roads, drainage ditches, and utility corridors.

A property tax deferral could last up to five years.

The property tax deferral would end after a subdivided parcel is sold or a residential or commercial building is constructed on it.

A municipality would be allowed to set up a way to apply a property tax deferral.

Section 2. Provides for an effective date of July 1, 2012.