

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Mullery and others

**Subject:** Limited market value

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### Overview

Extends limited market value (LMV) for five years on residential homestead and nonhomestead and on noncommercial seasonal recreational residential property. Provides for maximum percentage increases that vary based on the market value of the property in the preceding assessment year.

Provisions affecting other types of property currently under LMV (agricultural homestead, agricultural nonhomestead, and timber) are unaffected by the bill.

Effective for assessment year 2005, taxes payable in 2006, and thereafter.

### Section

- 1** **Limited market value (LMV).** Extends LMV for five years on residential homestead, residential nonhomestead, and seasonal residential recreational property to assessment year 2011 (payable 2012). Under current law, LMV is completely phased-out after the 2006 assessment (payable 2007).

Provides for maximum increase percentages based on the taxable market value of the property:

- if the property had a taxable market value in the preceding assessment year of less

**Section**

than \$325,000, the maximum increase is 11 percent;

- if the property had a taxable market value in the preceding assessment year of at least \$325,000 but less than \$750,000, the maximum increase is 25 percent; and
- if the property had a taxable market value in the preceding assessment year of \$750,000 or greater, there is no maximum limitation.

Provisions affecting other types of property currently under LMV (agricultural homestead, agricultural nonhomestead, and timber) are unaffected by the bill.

Effective for assessment year 2005, taxes payable in 2006, and thereafter.