Overview

Allows certain contiguous parcels of commercial property to each be eligible for the first-tier commercial class rate. Effective for the 2000 assessment and thereafter.

Section

1  **Class 3; Commercial/Industrial property.** Provides that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value class rate on each separate business operated by the owner, provided the business is housed in a separate structure.

The bill requires property owners who have contiguous parcels of property that constitute separate business that may qualify for the first-tier class rate, to notify the county assessor by July 1, for treatment beginning in the following taxes payable year. This is necessary since the assessor has no records as to owner-operated businesses.

Under current law, if the same person or entity owns two commercial parcels that are contiguous, only the value equal to the first-tier value of the contiguous parcels qualify for the reduced class rate. However, if the person owns two commercial parcels that are not contiguous (e.g. they could be one mile apart or they could be separated from each other only by one other parcel), they receive the first tier value on each of the commercial parcels.

This proposal does not affect shopping and strip malls.

Also allows parcels of commercial property to be considered non-contiguous when separated by vacant land. (Currently it is unclear how property in this configuration are treated.)

2  **Effective date.** Provides that section 1 is effective for the 2000 assessment and thereafter.