FINAL BILL REPORT
HB 1149

Brief Description: Eliminating advance property tax payments for binding site plans.

Sponsors: By Representatives O'Brien, Dunn, McCune, Wallace and Simpson.

House Committee on Local Government
Senate Committee on Government Operations & Elections

Background:

<u>State Regulation of Land Division Methods</u>.
State law (the "Subdivision Act") provides a regulatory scheme containing substantive and procedural requirements governing how local governments administer the division of land within their jurisdictions. The Subdivision Act describes the ways in which land may be divided and provides procedural rules that must be followed by local governments during the land division process. Local governments, in turn, implement local land division ordinances in accordance with the regulatory framework provided by the Subdivision Act.

Typically, land is divided into "subdivisions," consisting of five or more lots/parcels, or "short subdivisions," consisting of four or fewer lots/parcels. Such subdivisions are recorded on a "plat," which is a specialized map containing a schematic representation showing how a subdivision is to be divided into lots, blocks, streets, alleys, and other types of divisions. The Subdivision Act contains general requirements for platting procedures which must be followed by local governments in creating their platting ordinances.

<u>Binding Site Plans</u>.
The Subdivision Act creates an exception to state platting requirements called a "binding site plan," which local governments may adopt as an alternative means of land division for certain types of development projects. "Binding site plan" means a drawing to a scale specified by local ordinance which: (1) identifies and shows the areas and locations of all streets, roads, improvements, utilities, open spaces, and any other matters specified by local regulations; (2) contains inscriptions or attachments setting forth such appropriate limitations and conditions for the use of the land as are established by the local government body having authority to approve the site plan; and (3) contains provisions requiring that any development conform with the site plan.

Some local governments allow developers to file a binding site plan, as opposed to a plat, so as to allow greater flexibility in planning for certain types of development. However, under the Subdivision Act binding site plans can be used as an alternative means of land division with respect to only three categories of land use:
(1)   commercially or industrially zoned property;

(2) mobile home or travel trailer sites; and

(3) certain types of condominium developments.

Collection of Property Tax-Related Deposits Following Land Division.
Any person who files a plat or binding site plan after May 31 in any year, and prior to the date of the collection of taxes in the ensuing year, must provide the county treasurer with an advance deposit on the next year's property taxes calculated in accordance with a specified formula. Following the filing of the plat or binding site plan, the county assessor must investigate and ascertain the value of each lot and then use this assessment as the basis for the property tax levy rate. When property taxes become due in the ensuing year, the county treasurer must apply the advance tax deposit to the payment of the taxes due and refund any portion of the deposit in excess of the tax levy rate.

Summary:

References to a binding site plan are deleted from statutes requiring the payment of advance tax deposits and requiring certain tax assessment procedures related to the filing of a plat. The recording of a binding site plan is no longer conditioned on an advance property tax deposit being made to the county treasurer.

The recording of a binding site plan no longer triggers certain tax assessment procedures applicable to properties identified in a plat, replat, or altered plat.

Votes on Final Passage:

House   97   0

House   97   0
Senate   47   0

Effective: June 12, 2008