

A Comparison of House Bill 581 and House Bill 1270		
	House Bill 581 (Statewide)	House Bill 1270 (Local Legislation)
What Is It?	Legislation designed to offset or reduce increases in taxable value to a homestead property.	Legislation designed to offset or reduce increases in taxable value to a homestead property.
How Does It Work?	By assigning the year a home is sold as a base year. From the base year, yearly increases in taxable value on a homestead property cannot exceed a percentage rate of inflation assigned by the State Revenue Commissioner.	By assigning the year a home is sold as a base year. From the base year, yearly increases in taxable value on a homestead property cannot exceed 3%.
Will the value of a home ever reset to market value?	Yes. When a home is sold or when “substantial changes” are made to the property.	Yes. When a home is sold or when “substantial changes” are made to the property.
How Does the Bill Affect the School District?	<p>In years of economic downturn, it may take longer for the district’s revenue collections to recover to the same equivalent that they were prior to the downturn, leading to reductions in available student resources.</p> <p>Limiting the assessed value may encourage homeowners to avoid selling their home over time, reducing revenues and available resources for students.</p> <p>The resource reduction to the students compounds the longer that an individual elects not to sell their home.</p>	<p>In years of economic downturn, it may take longer for the district’s revenue collections to recover to the same equivalent that they were prior to the downturn, leading to reductions in available student resources.</p> <p>Limiting the assessed value may encourage homeowners to avoid selling their home over time, reducing revenues and available resources for students.</p> <p>The resource reduction to students compounds the longer that an individual elects not to sell their home.</p> <p>The local fair share calculation of QBE will be calculated based on the state HB 581 assessed values, negatively impacting QBE revenue.</p> <p>Equalization will be calculated using the HB 581 assessed values, negatively impacting QBE revenue.</p>
Can The District Opt Out?	Bill contains a one time opportunity to opt out, which must occur between January 1, 2025 and March 1, 2025.	There is no opt-out provision.

Estimated Fiscal Impact of House Bills 581 and 1270

School Year	Tax Year	Total Value of Homestead Properties (\$)	Tax Digest Growth over the Previous Fiscal Year (%)	District Millage Rate	Actual Property Taxes Collected (\$)	Total Value of Homestead Properties (\$) if Limited by HB 581 Cap (CPI Index)	Resource Loss to the District under HB 581	Total Value of Homestead Properties (\$) if Limited by HB 1270 Cap (3% Cap)	Resource Loss to the District under HB 1270
2024/2025	2024	3,865,926,510.80	10.71%	14.990	57,950,238.40	3,635,212,588.00	(3,458,401.70)	3,596,800,159.00	(4,034,204.01)
2023/2024	2023	3,492,038,989.60	25.64%	15.640	54,615,489.80	3,001,817,501.00	(7,667,064.08)	2,862,844,468.00	(9,840,602.32)
2022/2023	2022	2,779,460,648.80	15.56%	15.990	44,443,575.77	2,518,265,432.00	(4,176,511.52)	2,477,376,690.00	(4,830,322.50)
2021/2022	2021	2,405,220,087.60	7.66%	16.485	39,650,053.14	2,260,813,146.00	(2,380,548.43)	2,301,025,237.00	(1,717,652.11)
2020/2021	2020	2,234,005,084.80	5.45%	17.550	39,206,789.24	2,156,690,883.00	(1,356,864.24)	2,182,113,565.00	(910,696.17)
2019/2020	2019	2,118,556,859.20	8.51%	17.550	37,180,672.88	1,999,274,534.00	(2,093,404.81)	2,010,989,033.00	(1,887,815.35)
2018/2019	2018	1,952,416,536.80		18.290	35,709,698.46				
Cumulative Totals							(21,132,794.78)		(23,221,292.47)

This fiscal comparison is an estimate of the impact to the school district and its students if House Bill 581 or House Bill 1270 had been in place over previous years.