



## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 668	House Committee:	<b>PASSED</b> on 3/14/23 (25-0)
Committee:	Ways and Means	House Floor:	
Floor Manager:	Rep. Kniff-McCulla	Senate Floor:	
Date:	March 21, 2023	Governor:	
Staff:	Kristi Kious (2-5290)		

### Property Tax on Child Care Centers

- Provides that child care centers and facilities will be given the residential rollback (instead of commercial) for property tax purposes.

### Section by Section Analysis

#### Section 1 – Actual, assessed, and taxable value (441.21)

This section makes a conforming change related to section 2.

#### Section 2 – Actual, assessed, and taxable value (441.21)

[New subparagraph] Current law provides that a child care center or child care facility are commercial properties and as such are assigned a 90 percent rollback. This means they pay property tax on 90 percent of their assessed value.

This section provides that for assessments years beginning January 1, 2013 and after—property that is primarily used as a child care center or facility—although a commercial property—will be given the same rollback as residential property (this year 54 percent). This will result in a property tax cut for these businesses.

This section provides that a person who wishes to qualify for this rollback must file an application with the assessor by July 1 of the assessment year for which the person is first requesting the limitation on forms provided by the department of revenue. The license to operate as a child care center or facility must be included with the application. The person will not have to apply in subsequent years as long as the property is still used for this purpose.

This section provides that each county's board of supervisors shall determine eligibility of applicants by September 1 of each year. There is a process for appealing a decision. Additionally, if a property is receiving the residential rollback, but no longer is being used as a child care center or facility—the taxes that would have been owed will have to be paid back.

#### Section 3 – Actual, assessed, and taxable value (441.21)

This section makes a conforming change related to section 2.

Section 4 – Actual, assessed, and taxable value (441.21)

This section makes a conforming change related to section 2.

Section 5 – Effective upon enactment

Section 6 – Retroactive applicability

This section provides that the new residential rollback for child care centers and facilities applies to assessments years beginning on or after January 1, 2023.

Section 7 Applicability

This section provides that the new calculation of payments to local governments will be for fiscal years beginning on or after July 1, 2024.

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