



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0685 - Revise methods for valuing commercial condominiums (Bertoglio, Marta )

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 685 revises the basis of allocation of the valuation of condominiums when using the cost approach.

### FISCAL ANALYSIS

**Assumptions:**

- Currently, when condominiums (condo) are valued using the cost approach, the condo project is valued as a whole, and the total value is allocated to the individual condo units based on the percentage of interest each unit has in the common elements regardless of the size or characteristics of the units themselves.
- HB 685 changes condo valuations, starting in TY 2023, to be based on the characteristics of the individual units, with the value of the common elements allocated to each unit based on the percentage of interest in the common elements.
- The changes outlined in this bill are not anticipated to create any costs to the Department of Revenue.

**Effect on County or Other Local Revenues or Expenditures:**

- These changes do not affect local jurisdiction taxable value.

*MB*

Sponsor's Initials

27 Feb 2023

Date

*SO*

Budget Director's Initials

2-24-23

Date