



# FISCAL FACT

April 29, 2010  
No. 223

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## State Provisions for Property Reassessment

*By Justin Higginbottom*

Property taxes represent the lion's share of local government tax revenue, with local governments raising nearly \$400 billion per year from this source to fund services. Property taxes are a type of ad valorem tax, calculated as a percentage of the assessed value of the taxed property. Generally an assessment of the property is made by determining how much similar property can be sold for on the market at that time, with some states discounting the market value by a certain percentage.

But property values—such as home prices—are not static. Over time the market value of property will change, and not in a uniform pattern. That is, even in the same county, some property will appreciate rapidly while values elsewhere may stagnate or even drop. These variations in market value necessitate regular *reassessment* of the property in order to levy an equitable property tax. Usually assessors hired by local governments do the work.

Infrequent reassessments can result in significant over- or underpayment of property taxes. If one's property has decreased dramatically in value—which has been the case for many American homeowners since 2006—a property tax using the old higher value for the property would not be correct. Of course, governments have the choice to increase property tax rates as values decrease in order to maintain or increase revenue. Conversely, in good times, many governments keep property tax rates constant or cut tax rates as property values rise.

The combination of infrequent reassessment with rate increases shifts the property tax burden away from those whose property has been appreciating onto those whose property values have been declining.

States have different requirements for how frequently reassessments are conducted. Nine states do not have state provisions for when reassessments take place. Most states follow an annual to five-year schedule. A few states do not require reassessments for up to 10 years.

Following is a summary of state statutes, where they exist, of property reassessment schedules:

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<b>Table1 State Laws Governing Reassessment of Real Estate for Tax Purposes</b>		
<b>State</b>	<b>Frequency of Reassessment Required</b>	<b>Statute</b>
Ala.	At least once every 3 years	Alabama Appraisal Manual, Ch. 2 (Administration and Organization)
Alaska	Annually	AS 29.45.160, AS43.56.090; AS 29.45.150
Ariz.	Annually	Sec. 42-15101, A.R.S.; Sec. 42-13051, A.R.S.; Sec. 42-13052, A.R.S.
Ark.	At least every 3 years <sup>(1)</sup>	Sec. 26-26-1902(a) and (b), A.C.A
Calif.	Usually whenever a “change of ownership” occurs or new construction is completed	Sec. 75.10, Rev. & Tax. Code, Reg. 463.500, 18 CCR; Sec. 62, Rev. & Tax Code
Colo.	Every 2 years	Sec. 39-1-104(10.2), CRS
Conn.	Prescribed schedule. At least every 10 years following reappraisal	Sec.12-62(a) and (b), G.S.
Del.	No provision	Sec. 8317, Tit. 9, Code
Fla.	At least every 5 years	Sec. 193.023(2), F.S.
Ga.	Annually	Reg. Sec. 560-11-2.28
Hawaii	No specific requirements	
Idaho	At least every 5 years	IC Sec. 63-314
Ill.	Every 4 years. Cook County is assessed triennially	35 ILCS 200/9-215
Ind.	Every 5 years	IC 6-1.1-4-4
Iowa	Every odd-numbered year except for property of public utilities, which is assessed annually	Sec. 428.4, Code of Iowa; Sec. 434.1, Code of Iowa
Kans.	Dependent on county	Sec. 79-1476, K.S.A., Sec. 79-1478, K.S.A.
Ky.	At least every 4 years	Sec. 132.690, KRS
La.	Real property at least every 4 years. Annually for personal property	Sec.18(f), Art. VII, 1974 La Const., Reg. 105, LAC, Reg. 121, LAC; Sec.47:2331, La R.S.
Maine	At least every 4 years	Sec. 328, Tit. 36, M.R.S.A.
Md.	Every 3 years	Sec. 8-104, Prop. Tax Art
Mass.	Revalued annually, certified by State every three years	MGL ch. 40 § 56, MGL § 2A
Mich.	Annually	MCL 211.10
Minn.	At least every 4 years	Sec. 273.08, Minn Stats
Miss.	No provision	Miss Code Ann. Sec. 21-35-29
Mo.	Every 2 years	Sec. 137.115, RSMo.; Sec. 137.115, RSMo.
Mont.	Annual assessment mostly	MCA 15-7-111;ARM 42.20.516
Nebr.	Annually	Sec. 77-1201, R.S., Sec.77-1301, R.S.
Nev.	Every 5 years <sup>(4)</sup>	NRS 361.260
N.H.	No provisions	RSA 71-B:16
N.J.	When improvements are made	Sec. 54:4-23, R.S.

N.M.	At least every 2 years	NM Stat Ann Sec. 7-38-7; NM Stat Ann Sec. 7-36-16; 3 NMAC6.5.23
N.Y.	No provision	
N.C.	<sup>(2)</sup>	Sec. 105-286, G.S.; Sec. 105-287, G.S.
N.D.	Annually	Sec. 57-02-11, NDCC
Ohio	At least once every 6 years	Sec. 5713.01, Ohio R.C., Rule 5705-302, Ohio Admin. Code; Sec. 5715.33, Ohio R.C.
Okla.	Every 4 years	Sec. 2820, Tit. 68, ).S.
Ore.	No provisions	
Pa.	Annually	72 P.S. 5341.7, 72 P.S. 5347, 72 P.S. 5354.601
R.I.	Every 10 years	Sec. 44-5-11, G.L.
S.C.	Every 5 years	Sec. 12-43-217, Code
S.D.	No provision	
Tenn.	Every 6 years	Sec. 67-5-1601, T.C.A.
Tex.	At least every 3 years	Sec. 25.18, Tax Code
Utah	At least every 5 years	Sec. 59-2-303.1, Utah Code Ann.
Vt.	<sup>(3)</sup>	Sec. 4041a, Tit. 32, V.S.A.
Va.	Every 2 years in cities and every 4 years in counties <sup>(5)</sup>	Sec. 58.1-3250, Code; Sec. 58.1-3252, Code
Wash.	At least every 4 years	RCW 84.41.030
W.Va.	Annually	Sec. 11-1c-7, Code
Wis.	At least every 5 years	Sec. 70.05(5)(b), Wis. Stats.
Wyo.	At least every 4 years	Rule Ch.9, Sec. 3, WY DR
D.C.	At least every 3 years	Sec. 47-820, D.C. Code
<p>(1) Arkansas counties that completed reappraisal between 2002 and 2004 have a 5-year reappraisal cycle.</p> <p>(2) North Carolina counties with population of 75,000 or greater must reassess real property within 3 years if the county's sales assessment ratio is less than .85 or greater than 1.5, or if no change, within 8 years of county's last reassessment. All other counties: every 8 years.</p> <p>(3) In Vermont, state assessors calculate current fair market value for all properties each year, whether or not they have been reassessed locally. When the aggregate assessment of property in any township is less than 80% of the state-level "equalized" assessment," the locality must reassess all of its properties.</p> <p>(4) All counties are moving to a system of annual reappraisal. All counties reappraise land every year and Clark County reappraises both land and buildings annually.</p> <p>(5) Virginia makes an exception for some counties that allows them to have up to 6 years between reassessments. (Alleghany, Amelia, Amherst, Appomattox, Bath, Brunswick, and Buchanan County to name a few.).</p> <p>Source: Tax Foundation, Commerce Clearing House.</p>		