

BID Assessment Method Review Subcommittee

Recommendation clarifying application of current assessment method for buildings under construction (from August 26, 2009, Subcommittee Meeting)

Background:

From BID Operating Plan:

- Use of property as of January 1 controls for purposed of BID assessment
- “those tax exempt properties within the District which are later determined no longer to be exempt from general property taxes shall automatically become subject to assessment under any current operating plan without necessity to undertake any other act.”

For city assessment purposes, the assessment date is "as of the close of January 1" each year. They assess what is in place as of that date.

Subcommittee Recommendation

- For new construction within the District, use the city's January 1 date as a basic guide.

A building under construction will be subject to the BID assessment in the year it becomes taxable by the city. If a building is finished but not yet taxable within a given year, and wants to participate in District programs, the property can voluntarily agree to be assessed prior to the Jan. 1 date at which they would automatically become subject to the BID assessment.

- If a property under construction and outside the District wishes to become part of the District, it can do so at a mutually-agreed date (when the building is completed, or at the beginning of a new calendar year Operating Plan).
- Properties subject to the BID assessment are subject to the assessment while under renovation and unoccupied.