

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6549
BILL NUMBER: SB 129

NOTE PREPARED: Dec 10, 2024
BILL AMENDED:

SUBJECT: Landlocked Property.

FIRST AUTHOR: Sen. Buck
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill defines "landlocked property" as real property that has been shut off from all public highways as a result of the vacation of one or more public highways. It provides that if an action of the state, or an agency or political subdivision of the state, causes real property to become landlocked property, the county assessor of the county in which the landlocked property is located must assess the value of the landlocked property at zero for as long as the property qualifies as landlocked property if the property owner files an affidavit stating that the property does not have access to any public highway.

Effective Date: January 1, 2025 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Landlocked Property:* This bill establishes that the county assessor of the county in which the landlocked property is located must assess the value of the landlocked property at zero for as long as the property qualifies as landlocked property. Valuing these properties at \$0 will result in a decrease in the assessed value base for certain taxing units, which will increase tax rates and shift some taxes to other taxpayers. In addition, the higher tax rates will result in a local revenue reduction due to higher tax cap losses. The actual reduction in property tax revenue will be contingent on factors like the number of properties being classified as landlocked and the amount of assessed value associated with each property had the property kept its original (i.e., pre-landlocked) classification.

State Agencies Affected:

Local Agencies Affected: County assessors.

Information Sources:

Fiscal Analyst: James Johnson, 317-232-9869.