

1 Sections 221(d)(3), 236, 241(f) or 983, Title 24 of the United
2 States Code, for ad valorem property tax purposes, the assessor
3 shall consider: (1) The actual rents received and the impact of
4 rent restrictions applicable to the property; (2) the expenses
5 associated with the operation of the property; and (3) the impact
6 of rent restrictions on transfer of title and other restraints on
7 alienation of the property: *Provided*, That federal or state income
8 tax credits allowed with respect to the property may not be treated
9 as a part of the property or as income attributable to it.

10 (b) For real property which only a portion of the individual
11 housing units are operated as affordable rental housing, as defined
12 in Section 42 of the Internal Revenue Code of 1986, as amended,
13 only that portion of the property is subject to the requirements of
14 this section.

15 (c) In addition to the powers and duties of the Tax
16 Commissioner in other provisions of this article and this code, the
17 Tax Commissioner has the power and duty to:

18 (1) Propose for legislative approval, rules establishing a
19 method to determine the appraised value of real property operated
20 as affordable rental housing consistent with the provisions of this
21 section;

22 (2) Prescribe forms for annual reporting of income and
23 expenses to be used by the assessors for valuing such affordable
24 rental housing; and

1 (3) Develop and publish on an annual basis the capitalization
2 rate to be used by the assessors for valuing such affordable rental
3 housing.

NOTE: The purpose of this bill is to provide for the method of appraising certain affordable multifamily rental property for property tax assessment purposes.

This section is new; therefore, strike-throughs and underscoring have been omitted.