

# New Occupancy Law Aims to Help Residents

By Tim Schmidt, Record Editor | Posted: Thursday, January 5, 2012 9:53 am

Beginning this week, property taxes will be assessed and levied on newly constructed homes at the time they are first occupied, rather than waiting until Jan. 1 of each year.

While the change means some homeowners will begin paying taxes sooner on their new homes, county officials are touting that the new occupancy regulations will allow the county to pro-rate property taxes in the event a home — new or old — is destroyed in a natural disaster.

Should a natural disaster strike in a county where the occupancy regulations have not been adopted, County Assessor Wendy Nordwald said there would be no way assistance could be offered in the form of reducing property assessments and taxes. A natural disaster is defined as a tornado, fire, flood or earthquake.

Under the newly adopted occupancy law, property taxes will be assessed and taxed on the first day of the month following occupancy. For example, if a family moves into a new home March 12, the property will not be taxed until April 1 and will be pro-rated over the final nine months of the year.

Previously, the new property would not have been taxed until Jan. 1 of the following year. The new occupancy regulations only apply to new residential construction and do not affect commercial or agricultural properties, according to Nordwald.

The new regulations should also benefit residential builders and developers. In the case of newly constructed display homes, those properties will not be assessed or taxed for the first four years as long as they remain unoccupied, Nordwald said. The time period where display homes were not taxed used to be two years, but was doubled by state legislators in the past year.

The assessor's office will determine when a home is occupied based on occupancy or building permits, warranty deeds, utility connection or other official documents.

The new occupancy regulations, which were approved by the county commission last Tuesday, Dec. 27, went into effect Jan. 1.

Nordwald said the new occupancy regulations have been an annual item for discussion primarily supported by builders, but took on a greater importance following a crippling tornado in Joplin and flooding in Buchanan County in 2011.

In Joplin's case, Jasper County had the regulations in place so homeowners were able to benefit by having their property taxes pro-rated over the months when residences were still intact.

However in Buchanan County, homes that were damaged by Missouri River flooding didn't have the same advantage. "People were having to pay full taxes on a house that was not there," Nordwald said.

Buchanan County last month adopted the occupancy regulations to avoid a similar occurrence in the future and Nordwald said other counties have been doing so as well.

Of the five counties neighboring Warren County, only Franklin and Gasconade are the lone ones to not have the occupancy law in place.

“It has always been a problem of mine of what if somebody got hit by a tornado and we can’t offer any relief,” Nordwald. “The good point of it is you can take it off the tax rolls and pro-rate it. Now I can do something for you and offer you some relief.”

Northern District Commissioner Dan Hampson said county officials felt the new occupancy regulations were needed after hearing of the troubles endured in the aftermath of natural disaster elsewhere in the state.

“Having the opportunity to meet with the Jasper County officials, it has given us some insight as to how we might better prepare for disasters both large and small,” Hampson said. “The adoption of the occupancy “tax reduction law” is a step we must take in order to not further burden the citizens of Warren County in the time of a crisis.”