

FISCAL NOTE

Requested by Legislative Council
02/23/2005

REVISION

Amendment to: HB 1512

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues					\$576,000,000	
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Engrossed HB 1512 increases the sales, motor vehicle excise, financial institutions privilege, individual income, and corporate income taxes, sets limits on property taxes for school districts, and creates an education tax adequacy and equity fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, Engrossed HB 1512 is estimated to raise \$576 million in additional sales, motor vehicle excise and income taxes in the 2005-07 biennium. This revenue will go to the education tax adequacy and equity fund.

Property taxes could be reduced by an estimated \$500-\$570 million for the two years of the 2005-07 biennium. (This assumes the property tax provisions become effective beginning with taxes levied in 2005, payable in 2006, which will require a change in the effective date in Section 28.) Further it is assumed that the hold harmless provisions would impact fewer than 20 districts - those that would need to levy 80 mills and still qualify for an additional hold harmless payment. All other districts could reduce their mill levy for school district general funds to between zero and 80 mills, and receive the current level of funding or greater under the provisions of this bill.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget.*

Indicate the relationship between the amounts shown for expenditures and appropriations.

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