

FISCAL NOTE

Requested by Legislative Council

01/12/2005

Bill/Resolution No.: HB 1298

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					
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.*

HB 1298 provides a partial farm residence exemption to persons whose farm income is between 25 and 50 percent of annual income, if they meet the other qualifications. The percentage of exemption would be equal to the percentage of their annual net income from farming activities. It is not possible to estimate how many persons would qualify, nor how many presently taxable residences would qualify for exemption or partial exemption.

This bill would reduce tax revenue to the state medical center by an indeterminable amount. It would not affect tax revenue for any political subdivision that levies under NDCC Section 57-15-01.1, but it would shift the tax burden from newly exempted or partially exempted farm residences to other taxpayers.

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.*

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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