

# FISCAL NOTE

Requested by Legislative Council

01/18/2005

Bill/Resolution No.: SB 2272

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.*

SB 2272 requires property to be classified as commercial instead of agricultural under certain conditions. The result of reclassification to commercial would, in most cases, increase the valuation of the property. Any structures on the reclassified property would not be eligible for the farm building exemption.

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.*

It is not possible to estimate the amount of increased property tax revenue that would be generated by the provisions of SB 2272. All political subdivisions in which reclassified property is located, including the state medical center, would receive additional revenue.

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.*

**Name:** Kathryn L. Strombeck  
**Phone Number:** 328-3402

**Agency:** Office of Tax Commissioner  
**Date Prepared:** 01/23/2005