

FISCAL NOTE
Requested by Legislative Council
01/21/2019

Bill/Resolution No.: SB 2351

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$250,000			
Appropriations			\$250,000			

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2351 augments some eligibility requirements relative to the farm home residence property tax exemption.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of SB 2351 requires farmers claiming the farm residence property tax exemption to file a form proving income eligibility. The tax commissioner is required to review a sampling of these forms.

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.*

SB 2351, if enacted, may result in fewer homes being exempted as farm residences if there are any owners that will not not qualify or will not comply with the eligibility requirements specified in the bill. This may result in the shifting of some property tax burdens among property owners in the affected taxing districts. Overall, property taxes will not change.

- 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.*

There will be a one-time expenditure of an estimated \$250,000 to set up a system for receiving approximately 12,000 eligibility forms from the counties each year. There may be additional on-going costs associated with the annual review of a sample of these forms.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

If enacted, SB 2351 will require a one-time \$250,000 appropriation to the tax commissioner.

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Date Prepared: 01/25/2019