

FISCAL NOTE
HOUSE BILL NO. 1575
LC# 25.1283.02000
02/13/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$703,220,545			
Appropriations			\$85,001,793	\$398,398,207		

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1575 is a state reimbursed, percentage-based, taxable valuation reduction for residential, agricultural and commercial property.

4 - Fiscal Impact Sections Detail

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 6 expands the homestead property tax credit by increasing income level maximums to determine eligibility, from \$40,000 to \$50,000 and from \$70,000 to \$80,000.

Section 7 expands the current renter's refund program by increasing the maximum benefit a qualified individual can receive from a maximum refund amount of \$400 to \$600 annually.

Section 9 provides for a reduction in taxable value equal to 2.75 percent of assessed value for residential and equal to 1.5 percent of assessed value for agricultural and equal to 1.5 percent of assessed value for commercial. The reduction must be applied before other credits under Chapter 57-02.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

N/A

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

If enacted, Section 6 is expected to provide \$11.62M in new, homestead property tax relief in the 2025-2027 biennium, independent of the fiscal offset resulting from section 9 of HB 1575.

Due to the associated benefit for residential properties in the state related to the reduction in taxable value, the otherwise resulting funding requirement due to the expansion of the homestead tax credit is largely offset, with a final net impact of \$1.55M in additional funding required for the expanded, homestead property tax credit under HB 1575.

Section 7 expands the maximum credit amount for the renter's refund program and is expected to provide \$1M in new, additional relief for renters in the 2025-2027 biennium.

Section 9 provides \$700.67M in property tax relief as a result of reductions in taxable valuation for residential, agricultural and commercial properties in the state.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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, \$703,220,545 will be required to fund HB 1575. An appropriation of \$630,820,545 will be required in addition to baseline funding, which includes \$72.4M for the homestead property tax credit program, for the 2025-2027 biennium.

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