

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: House Bill No. 1679 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 3-19-87

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

The aircraft and other operative personal property of air transportation companies has not been assessed since the North Dakota Supreme Court held that assessment from 1982 forward was in violation of federal law. At that time, the tax amounted to \$300,000 to \$350,000 per year. However, on February 24, 1987, the United States Supreme Court overruled the decision of the North Dakota Court and the personal property is subject to tax prospectively starting with the 1987 assessments.

If passed, HB 1679 would exempt the aircraft and other operative personal property. The fiscal effect of HB 1679 would be a loss of tax to airport authorities and cities served by air carriers amounting to approximately -\$200,000 to -\$400,000 per fiscal year or -\$400,000 to -\$800,000 for the 1987-89 biennium.

State Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed *Kathryn L. Strombeck*

Typed Name Kathryn L. Strombeck

Date Prepared: 3-20-87

Department Tax Department

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