

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: Senate Bill No. 2021 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 1/6/87

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:

SB 2021 provides for the appropriation for personal property tax replacement.

Section 4 of this bill makes permanent the formula ratio change that was enacted by the 1985 Legislature. The growth factor in the reimbursement formula is changed from a 1:7 ratio to a 1:19 ratio. The appropriation of \$27,990,000 reflects the reimbursement formula at the 1:19 ratio. If the formula would revert back to the 1:7 ratio, the appropriation would need to be \$46,525,000. Making the 1:19 ratio permanent would save the state general fund \$18,535,000 by reducing payments to political subdivisions.

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>
Savings:		\$8,952,118		\$9,582,882		\$18,535,000

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>
Revenue:	\$(4,219,899)	\$(2,709,779)	\$(4,517,232)	\$(2,900,709)	\$(8,737,131)	\$(5,610,488)

If additional space is needed, attach a supplemental sheet.

Signed Paula Dodds

Typed Name Paula Dodds

Date Prepared: 1/7/87

Department OMB