

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1075 Amendment to: _____

Requested by: Legislative Council Date of Receipt: _____

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:

See attached narrative.

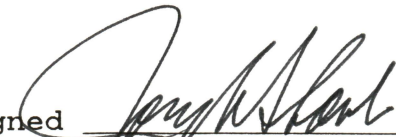
State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
	\$149,400		\$131,300		

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</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 

Typed Name Joseph S. Lamb

Date Prepared: 1/11/89

Department Bank of North Dakota

FISCAL NOTE TO HOUSE BILL 1075

To estimate the fiscal impact of this legislation, the following facts or assumptions were used:

1. The State Land Department is currently holding 70 properties totaling approximately 34,000 acres of the Bank of North Dakota and State Treasurer property. The average property size was calculated at 486 acres.
2. The State Land Department is acquiring new property at a rate of approximately 2.3 properties per month.
3. According to the North Dakota Tax Commissioner's office, the average tax on farmland across the state is \$2.42 per acre. This tax is a blend of both cultivated and uncultivated land.
4. In 1989, it was assumed that all land currently held by the State Land Department would continue to be held for the entire year. This assumption is based on the belief that all previous owners would take advantage of the requirement that the land be rented back to the original owners for three years.
5. In addition, in 1989, 2.3 properties were added to the original holdings each month. This would increase the total holdings for 1989 by 27.6 properties or approximately 13,400 acres.
6. In 1990, it was assumed that land acquisitions and land sales would be equal. Therefore, 2.3 properties would be acquired each month and 2.3 properties would be sold each month. The net result would be a zero change in the number of acres held.
7. In 1991, it was assumed that the sale of property would occur at twice the rate of acquisitions. This assumption is based primarily on the belief that the three year rental period for the early acquisitions was over and the property could be sold.

Based on the above assumptions, the estimated fiscal impact of this legislation is:

1989	-	\$ 99,619
1990	-	\$ 99,619
1991	-	<u>\$ 81,525</u>
TOTAL		<u>\$280,763</u>

1989

January 1, 1989 - 33,913 acres x \$2.42 = \$82,069

The addition of 2.3 properties per month would generate \$225 per month of taxes.

(2.3 properties x 486 acres = 1,117.8 acres)
(\$2.42 tax per acre per year = \$0.202 per month)
(1,117.8 acres x \$0.202 tax = \$225 in monthly taxes)

January	\$ 225
February	450
March	675
April	900
May	1,125
June	1,350
July	1,575
August	1,800
September	2,025
October	2,250
November	2,475
December	<u>2,700</u>

	\$17,550
January 1, 1989 assessment	<u>82,069</u>
Total 1989 tax assessment	<u>\$99,619</u>

1990

Since it is assumed that new acquisitions and sales would be equal, the total tax assessment would remain the same as the 1989 level, \$99,619.

1991

Using the 1990 year-end calculation of 99,600, the monthly average tax would be \$8,300 (i.e., \$99,600/12 months).

January:	\$8,300 - \$225 = \$ 8,075
February:	8,075 - 225 = 7,850
March:	7,850 - 225 = 7,625
April:	7,625 - 225 = 7,400
May:	7,400 - 225 = 7,175
June:	7,175 - 225 = 6,950
July:	6,950 - 225 = 6,700
August:	6,700 - 225 = 6,450
September:	6,450 - 225 = 6,200
October:	6,200 - 225 = 5,950
November:	5,950 - 225 = 5,700
December:	5,700 - 225 = <u>5,450</u>

\$81,525