

FISCAL NOTE

Return in triplicate)

Bill/Resolution No.: HB 1276 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-13-93

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative: All D.D. facilities have been in place for at least five years; therefore, any sale of facilities would be subject to recapture of depreciation unless state law, such as proposed in this bill, would prevent recapture. We have no information on potential sale prices or the number of facilities that may be sold. Consequently, we can only estimate the lost revenue based on a hypothetical sale. The attached schedule assumes: 1) A building.. useful life of 40 years, 2) Depreciation on a 25 year schedule, and 3) Sale at the 40 year book value. This would result in a loss of depreciation recapture of \$22,265 on the hypothetical example.

2. State fiscal effect in dollar amounts:

<u>1991-93</u>		<u>1993-95</u>		<u>1995-97</u>	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>
<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>

Revenues:

Expenditures:	Unknown	Unknown
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3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1991-93 biennium: \_\_\_\_\_
- b. For the 1993-95 biennium: Unknown
- c. For the 1995-97 biennium: Unknown

4. County and City fiscal effect in dollar amounts:

<u>1991-93</u>		<u>1993-95</u>		<u>1995-97</u>	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</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 Mike Schwindt

Department Human Services

Date Prepared: January 18, 1993

Phone Number 224-2330

# EXAMPLE

## ASSUMPTIONS

--since the actual sale price is not known. An estimated sale price was computed as follows:

---the original asset life was extended from 25 years to 40 years and accumulated depreciation was computed on this basis.

--the accumulated depreciation was subtracted from the original asset basis.

	1986 Addition	1987 Addition	Improvement Addition	Total
Cost	\$218,487	(\$301)	\$507	
Life	40	39	40	
1986	4,097			4,097
1987	5,462	(8)		5,454
1988	5,462	(8)	6	5,460
1989	5,462	(8)	13	5,467
1990	5,462	(8)	13	5,467
1991	5,462	(8)	13	5,467
1992	5,462	(8)	13	5,467
Total	\$36,869	(\$48)	\$58	\$36,879

Historical Basis	\$218,693
Less Accumulated at 40 Years	36,879
Estimated Sale Price	\$181,814

--recapture was determined only on the building and building improvements.

Historical Basis	\$218,693
Accumulated Depreciation	59,144
Book Value At Dec. 31, 1992	\$159,549

Estimated Sale Price	\$181,814
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Recapture--Current Methodology	\$22,265
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HB 1276 Recapture \$0 NO RECAPTURE UNDER PROPOSED  
 HB 1276 SINCE THE FACILITY IS MORE  
 THAN FIVE YEARS OLD

Estimated Revenue Loss	\$22,265
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## SUMMARY

Estimated Revenue Loss \$22,265