

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Bill/Resolution No.: SB 2144

- 1 A. **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.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill contains the recommendations of the Governor's Task Force on Property Reform. For counties, 34 levies are combined, 20 repealed, 16 not changed. For cities, 40 levies are combined, 8 repealed, and 17 not changed. For townships, 17 levies are combined, 7 repealed, and 7 not changed.

- B. **Fiscal impact sections:** *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.*

For counties, cities, townships, and other political subdivisions other than school districts, levies are combined into new categories and certain levies are repealed. For example, for counties, 16 separate levies are combined into a general fund category with a new limit of 60 mills. For cities, 26 separate levies are combined into a general fund category with a new limit of 105 mills. Consolidations of mill levies into new categories have no fiscal impact. The new limits proposed for certain levies will have no immediate fiscal impact to political subdivisions unless they would otherwise exceed the proposed limit. The mill levy changes take effect for taxable years beginning after December 31, 2014. For political subdivisions in excess of the proposed limit in taxable year 2015, a phase-in period allows the same number of mills to be levied in taxable year 2016. Beginning with taxable year 2017, the political subdivision is allowed to exceed the new limit by 75 percent of the previously levied excess mills. For taxable year 2018, the limit may be exceeded by 50 percent of the previously levied excess mills and for taxable year 2019, the limit may be exceeded by 25 percent. Local levies are affected by local budget needs and changes in taxable valuation. Because local budget decisions are not known and taxable valuation changes will vary by political subdivision, it is not possible to determine the potential fiscal impact. In addition, the proposed 4 year phase in period allows for any potential fiscal impact to be mitigated over the phase in period.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *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.*

Name: Joe Morrissette

Agency: Tax Department

Telephone: 701-328-3033

Date Prepared: 01/12/2015