

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/16/2015**

Bill/Resolution No.: HB 1354

- 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).*

If enacted, HB 1354 will prohibit increasing agricultural land assessments by more than ten percent above the previous year's assessment.

- 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.*

Equalization is a method required by law to adjust assessments to be consistent with the value of agricultural productivity or market value. Commercial and residential properties are required to be equalized using market value. The State Board of Equalization has the responsibility of equalizing assessments among counties and assessment districts of the state.

Agricultural assessments totaled approximately thirty percent of the state's taxable valuation in 2014. Any limiting of assessment increases to a fixed percentage will create assessments that have not been equalized to market value or productivity. This limit may create inequity in assessments and shift the property tax burden to remaining classes of property. The amount of property taxes that may be shifted from agricultural to residential and commercial properties cannot be determined.

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.*

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