

FISCAL NOTE

Requested by Legislative Council
02/16/2001

Bill/Resolution No.:

Amendment to: HB 1432

1A. **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.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$477,600,000		
Expenditures					
Appropriations					

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					(\$472,172,000)			

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1432 First Engrossment removes the school districts' general fund mill levy and imposes additional individual income, sales and motor vehicle excise taxes for the school district levy replacement fund.

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.*

Section 12 of the bill imposes an additional income tax of 4.5% of taxpayers' adjusted federal tax liabilities and an equivalent amount on the long form. This is expected to generate approx. \$143 million for the school district levy replacement fund during the 01-03 biennium.

Sections 14, 18 and 19 impose additional sales and motor vehicle excises taxes of 2%. This is expected to generate approx. \$334.6 million for the school district levy replacement fund during the 01-03 biennium.

The removal of the school districts' general fund levies is expected to reduce school district property tax revenues by approx. \$472.2 million for the 01-03 biennium.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Tax Department
Date 02/19/2001
Prepared: