

FISCAL NOTE

Requested by Legislative Council

01/20/2003

Bill/Resolution No.: HB 1375

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.*

| 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | |
| Expenditures | | | | | |
| Appropriations | | | | | |

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

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |

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

Section 1 of HB 1375 provides property tax reimbursement for qualifying beginning farmers up to an annual total of \$750,000. Sections 2 and 3 provide income tax deductions for certain income earned by qualifying beginning farmers. Although the property tax reimbursement component is limited to a \$1.5 million appropriation for the 2003-05 biennium, it is unknown how much of the appropriation will actually be needed. The negative fiscal impact from the income tax deductions provided in Sections 2 and 3 is dependent upon the existing farmers who may qualify, any new farmers who start operations in the biennium, and the amount of qualifying income subject to the deduction, all of which are unknown.

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, 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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