

FISCAL NOTE

Requested by Legislative Council
12/16/2002

Bill/Resolution No.: HB 1055

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.*

If enacted, HB 1055 will have no fiscal effect. The amount a political subdivision may levy in dollars is determined by the provisions of NDCC 57-15-01.1. Changing the valuation of existing property does not change the dollar amount a political subdivision may levy.

Adding the effective tax rate to the capitalization rate will reduce the valuation of agricultural land and therefore shift some of the tax burden to other property. Residential, commercial, and centrally assessed property will assume a greater share of the taxes if agricultural values decrease, but the total amount of taxes levied will not change.

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.*

Name: Kathryn Strombeck

Phone Number: 328-3402

Agency: Tax Dept.

Date Prepared: 01/03/2003