

# FISCAL NOTE

Requested by Legislative Council

01/18/2005

Bill/Resolution No.: HB 1517

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 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.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

HB 1517 provides that a greenhouse qualifies for a property tax exemption as a farm building, and the land on which it is located qualifies for classification as agricultural land.

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.*

The effect of HB 1517 will be to exempt qualifying structures from property taxes, and to classify the land on which they are located as agricultural, which in most cases will reduce the valuation of and taxes on that land. Any lost property tax revenue caused by HB 1517 will be shifted to other property tax payers in the political subdivision. It is not possible to estimate the amount of this shift because the present valuation of each qualifying structure, the commercial and agricultural value of the land on which it is located, and the mill rate that applies are all unknown.

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 L. Strombeck  
**Phone Number:** 328-3402

**Agency:** Office of Tax Commissioner  
**Date Prepared:** 02/02/2005

