

FISCAL NOTE
Requested by Legislative Council
01/16/2009

Bill/Resolution No.: HB 1422

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$2,900,000)			
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1422 makes numerous changes to property tax provisions including those affecting limitations, valuations, home-rule authority and others. The bill also creates an individual income tax deduction for special assessments.

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.*

If enacted, HB 1422 will make significant changes to existing property tax law. Except for the limitations contained in the bill, most of the changes will result in tax shifts among the various classes of property but may not actually reduce or increase property taxes overall. The limitations specified in the bill will have a fiscal effect that cannot currently be estimated.

Sections 13 and 14 of HB 1422 create individual income tax deductions for special assessments paid by the taxpayer. These deductions are made available on both of the individual income tax filing methods, Form ND-1 and ND-2. Assuming 80% of the current level of special assessments are deductible for individual income tax purposes, these sections are estimated to reduce state general fund revenues by approximately \$2.9 million in the 2009-11 biennium.

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 is also included in the executive budget or relates to a continuing appropriation.*

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