

FISCAL NOTE
Requested by Legislative Council
02/24/2015

Amendment to: SB 2035

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed SB 2035 creates a sales tax exemption for materials used to construct a fertilizer or chemical processing plant, changes certain provisions regarding a city or county granting property tax exemptions, and authorizes an interim study.

- 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.*

There is at least one \$3 billion dollar plant under consideration that may break ground this spring that would qualify for this exemption. It is unknown what share of the cost of this \$3 billion plant might be subject to this exemption (beyond the existing law exemption for manufacturing equipment -- this exemption would include building materials). Additionally, other chemical processing plants may be built in the biennium that would also qualify for this exemption. The overall fiscal impact is unknown.

The changes to the provisions regarding the authorization of property tax exemptions contained in Section 1 will possibly result in fewer property tax exemptions being granted by cities and counties in the 2015-17 biennium. This may result in less shifting of property taxes from new, exempt projects onto other existing properties. It is not possible to estimate the magnitude of this potential 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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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