

FISCAL NOTE
Requested by Legislative Council
01/20/2015

Bill/Resolution No.: SB 2307

- 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			\$(160,000,000)			
Expenditures			\$309,000,000			
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).*

SB 2307 creates a property tax credit for homeowners and an income tax credit for renters.

- 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.*

Section 1 of SB 2307 authorizes a property tax credit equal to fifty percent or \$50,000 of true and full valuation, whichever is less, of a person's primary residence. For farmers whose personal residences are tax exempt, the bill authorizes credit on up to 640 acres. These provisions are expected to increase state general fund expenditures by an estimated \$309 million in the 2015-17 biennium.

Section 2 of SB 2307 authorizes a refundable income tax credit equal to fifteen percent of the annual rent, up to a maximum of \$900 per year. This is expected to reduce state general fund revenues by an estimated \$160 million in the 2015-17 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.*

The residential and agricultural credits authorized in SB 2307 will increase state general fund expenditures as the state will be required to reimburse counties for these credits.

- 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.*

If enacted, SB 2307 may require an appropriation allowing the state treasurer to pay the counties as authorized in Section 1 of the bill.

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