

**FISCAL NOTE**  
**HOUSE BILL NO. 1266**  
**LC# 25.0623.01000**  
**01/20/2025**

## 1 - 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.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$36,036,868			
Appropriations			\$18,745,000			

## 2 - County, City, School District, and Township Fiscal Effect

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - 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 1266 if enacted eliminates the taxable valuation credit limit for the disabled veteran property tax credit program under current statute, or amount of credit that can be applied against the taxable value of a homestead owned and occupied by an eligible, disabled veteran or surviving spouse.

## 4 - Fiscal Impact Sections Detail

*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 eliminates the credit limit or amount that may be applied against the taxable value of a homestead, for an individual eligible to receive the disabled veteran property tax credit, consistent with their disability rating percentage and applied as a credit or reduction against the assessed taxable value of their homestead and reflected accordingly on their property tax statement.

Section 2 provides that the effective time period is for taxable years beginning after December 31, 2024, including property tax years 2025 and 2026 during the 2025-2027 biennium.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, section 1 of HB 1266 will require \$17,294,868 in new funding for the disabled veteran property tax credit program in the 2025-2027 biennium. This is in addition to the 2023-2025 baseline appropriation of \$18,745,000 for the program, which is expected to be largely dispersed during the 2023-2025 biennium.

In summary the fiscal impact to the general fund, beyond the 2023-2025 baseline appropriation of \$18,745,000, to fund the disabled veteran property tax credit program in the 2025-2027 biennium, is \$17,294,868 if HB 1266 is enacted.

In total, \$36,039,868 will be required to fund the disabled veteran property tax credit program in the 2025-2027 biennium, if HB 1266 is enacted as introduced.

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please 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 HB 1266 is enacted, an additional sum of \$17,294,868 out of any moneys in the general fund in the state treasury, not otherwise included as a continuing appropriation, or so much of the sum as may be necessary, is requested to be appropriated to the Office of State Tax Commissioner to fund the disabled veteran property tax credit program during the biennium beginning July 1, 2025, and ending June 30, 2027.

## **Contact Information**

**Name:** Brian Kroshus

**Agency:** Office of State Tax Commissioner

**Telephone:** 7013283053

**Date Prepared:** 01/18/2025