

FISCAL NOTE
HOUSE BILL NO. 1586
LC# 25.0309.02000
01/26/2025

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			\$1,008,183,310			
Appropriations						

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 1586 modifies the primary residence property tax credit program to provide an up to \$5,000 primary residence credit against consolidated tax due for eligible taxpayers.

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 3 provides a primary residence credit, an up to five thousand dollar credit against the property tax due on an eligible taxpayer's primary residence, after other exemptions or credits under Chapter 57-02-08.9, effective for taxable year 2025 and subsequent years thereafter.

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 3 of HB 1586 is estimated to provide \$1,008,183,310 in property tax relief to eligible individuals in the 2025-2027 biennium.

The 2023-2025 biennium baseline budget appropriation for the primary residence, homestead and disabled veteran property tax credit programs is \$194,370,000. The 2025-2027 biennium estimate to fund HB 1586, in addition to baseline funding, is \$813,813,310.

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 1586 is enacted, an additional sum of \$813,813,310 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, are requested to be appropriated to the tax commissioner for a primary residence 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: 01/25/2025