



Projected Fiscal Impact – Measure 4

August 23, 2024

Tax Commissioner Brian Kroshus

AD VALOREM & PILOT TAX ACTUALS

Year	Total State and Local Taxes	Diff between last yr vs curr yr	% increase over prior year
2014	895,207,905		
2015	978,114,688	82,906,783	9.26%
2016	1,045,390,672	67,275,984	6.88%
2017	1,057,797,816	12,407,145	1.19%
2018	1,106,718,432	48,920,615	4.62%
2019	1,161,468,923	54,750,492	4.95%
2020	1,212,242,176	50,773,252	4.37%
2021	1,262,883,826	50,641,650	4.18%
2022	1,345,238,257	82,354,431	6.52%
2023	1,441,148,270	95,910,013	7.13%

2021-2023 ACTUALS BY CATEGORY

Ad Valorem Taxes	2021	2022	2023
Rural Agricultural	248,172,275.75	249,430,395.40	262,944,189.55
Rural Residential	86,992,220.04	94,710,264.96	102,813,114.42
Rural Commercial	54,908,625.10	57,754,711.78	59,769,154.64
Urban Agricultural	1,133,271.70	1,206,226.53	1,210,940.05
Urban Residential	425,667,647.80	468,396,472.63	508,192,066.99
Urban Commercial	310,472,789.93	333,752,169.45	359,338,939.09
City Tax Increments	9,649,048.15	8,456,563.02	10,643,294.28
City Fire Protection	100,108.86	108,559.81	108,865.42
Railroads	12,834,500.94	13,788,499.58	15,026,559.31
Electric, Gas and Heating	15,160,287.01	16,375,790.48	18,068,285.07
Pipelines	66,271,196.15	66,820,952.41	66,691,288.62
Total Ad Valorem Taxes	1,231,361,971.43	1,310,800,606.05	1,404,806,697.44
Special Taxes	31,521,854.53	34,437,651.04	36,341,572.92
Total Ad Valorem with Special Taxes	1,262,883,825.96	1,345,238,257.09	1,441,148,270.36

AVERAGE INCREASE

	5-year, 2019-2023 average increase vs. prior year	2-year, 2022-2023 average increase vs. prior year	Repeat of 2015 increase vs. prior year
	5.43%	6.83%	9.26%
2024 Estimate	1,519,402,621	1,539,578,697	1,574,598,600
Biennium Total	3,038,805,243	3,079,157,394	3,149,197,200

SPECIAL ASSESSMENTS

Special Assessments	Total State and Local Taxes	Diff between last yr vs curr yr	% increase over prior year
2014	109,621,080		
2015	118,031,259	8,410,179	7.67%
2016	132,533,590	14,502,331	12.29%
2017	140,946,639	8,413,049	6.35%
2018	147,449,260	6,502,620	4.61%
2019	149,012,942	1,563,683	1.06%
2020	153,194,176	4,181,234	2.81%
2021	146,713,772	(6,480,404)	-4.23%
2022	156,117,717	9,403,945	6.41%
2023	164,117,792	8,000,075	5.12%
2024 Projection*	167,777,619	3,659,827	2.23%

* 2024 Projection based on preceding 5-year average increase (2019-2023)

ESTIMATED FISCAL IMPACT

The estimated fiscal impact is based on the following assumptions:

- The tax levied on real property during the 2024 calendar year will increase at rates equal to the following scenarios:
 - Equal to average increase for previous five years
 - Equal to average increase for previous two years
 - Equal to 2015 increase
- The ballot measure requires replacement of centrally assessed property revenue because the ballot measure eliminates that revenue by repealing the constitutional provisions related to centrally assessed property.

*The estimated fiscal impact is an estimate of the minimum amount of property tax revenue replacement required by the ballot measure, not the maximum.

CHAPTER 40-22 IMPROVEMENTS BY SPECIAL ASSESSMENT METHOD

40-22-01. Power of municipalities to defray expense of improvements by special assessments. Any municipality, upon complying with the provisions of this chapter, may defray the expense of any or all of the following types of improvements by special assessments:

1. The construction of a water supply system, or a sewerage system, or both, or any part thereof, or any improvement thereto or extension or replacement thereof, including the construction and erection of wells, intakes, pumping stations, settling basins, filtration plants, standpipes, water towers, reservoirs, water mains, sanitary and storm sewer mains and outlets, facilities for the treatment and disposal of sewage and other municipal, industrial, and domestic wastes, and all other appurtenances, contrivances, and structures used or useful for a complete water supply and sewerage system.
2. The improvement of the municipal street system and any part thereof, including any one or more of the processes of acquisition, opening, widening, grading, graveling, paving, repaving, surfacing with tar, asphalt, bituminous, or other appropriate material, resurfacing, resealing, and repairing of any street, highway, avenue, alley, or public place within the municipality, and the construction and reconstruction of overhead pedestrian bridges, pedestrian tunnels, storm sewers, curbs and gutters, sidewalks, and service connections for water and other utilities, and the installation, operation, and maintenance of streetlights and all types of decorative streetlighting, including but not restricted to Christmas streetlighting decorations.
3. The improvement of boulevards and other public places by the planting of trees, the construction of grass plots and the sowing of grass seed therein, and the maintenance and preservation of such improvements by the watering of such trees and grass, the cutting of such grass, and the trimming of such trees, or otherwise in any manner which may appear necessary and proper to the governing body of the municipality.
4. The acquiring of the necessary land and easements and the construction of the necessary works, within and without the municipality, for flood protection of properties within the municipality.
5. The acquiring or leasing of the necessary property and easements and the construction of parking lots, ramps, garages, and other facilities for motor vehicles.

In planning an improvement project of a type specified in any one of the foregoing subsections, the governing body may include in such plans any and all items of work and materials which in its judgment are necessary or reasonably incidental to the completion of an improvement project of such type.



Questions?

Tax Commissioner, Brian Kroshus