



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0212

Title: Revise laws related to property tax bills

Primary Sponsor: Osmundson, Ryan

Status: As Amended in Senate Committee

Significant Local Gov Impact

Needs to be included in HB 2

Technical Concerns

Included in the Executive Budget

Significant Long-Term Impacts

Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$36,906	\$8,324	\$8,434	\$8,550
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$36,906)</u>	<u>(\$8,324)</u>	<u>(\$8,434)</u>	<u>(\$8,550)</u>

Description of fiscal impact: SB 212, as amended, requires county treasurers to itemize property tax bills by mill levy type, as well as provide additional information on inflation, property tax changes, and income changes. SB 212 as amended charges the Department of Revenue to provide county treasurers the additional information on changes in inflation, and property tax and income, over the last ten years.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. The department will require an additional economist for approximately four months of initial implementation work in FY 2022.
2. The work will entail two months of meetings and coordination with cities/towns, counties, and county treasurers to develop a report and two months to pull together and verify the historical data.
3. This is equivalent to 0.33 FTE in FY 2022.
4. The department will require 0.08 FTE hours in years after FY 2022 to keep tax information current and continue coordination with local government interests.

<u>Fiscal Impact:</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<u>Department of Revenue</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
FTE	0.33	0.08	0.08	0.08
<u>Expenditures:</u>				
Personal Services	\$31,381	\$7,707	\$7,807	\$7,909
Operating Expenses	\$5,525	\$617	\$628	\$641
TOTAL Expenditures	\$36,906	\$8,324	\$8,435	\$8,550
<u>Funding of Expenditures:</u>				
General Fund (01)	\$36,906	\$8,324	\$8,435	\$8,550
TOTAL Funding of Exp.	\$36,906	\$8,324	\$8,435	\$8,550
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$36,906)	(\$8,324)	(\$8,435)	(\$8,550)
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Effect on County or Other Local Revenues or Expenditures:

Department of Revenue

- The requirements of SB 212 may change local billing processes. The distribution of the additional information required may impose costs on county treasurers. The department does not have information to estimate these costs.

Technical Notes:

Office of Budget and Program Planning

- SB 212 has no effective date, as such it becomes effective on October 1, 2021 (FY 2022). County treasurers send property tax bills to residential property owners in late-October or early-November, and in late-April or early May. Coordination with county treasurers may require some time and the short initial implementation window may mean the first information distribution may be with the second half billing notices (April 2022).

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<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>
		KA	3/10/21