



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 House 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	\$365,095	\$360,931	\$368,782	\$370,635
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$365,095)</u>	<u>(\$360,931)</u>	<u>(\$368,782)</u>	<u>(\$370,635)</u>

Description of fiscal impact: SB 212 as amended in the House Taxation Committee, requires County Treasurers to add to the tax notice an itemization of mill levies with an indication which are voted levies. The bill also charges the Department of Revenue to provide property taxpayers, every October, information on inflation, average income growth rates, and property tax changes over the last 10 years. The department estimates this will require staff time, and approximately \$350,000 annually to mail the additional information.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. The amendments to SB 212 in the House Taxation Committee, clarifies, and reallocates the relevant tax information presented to taxpayers between County Treasurers' and the Department of Revenue. County Treasurers are required to add mill levy information to tax notices and the Department of Revenue is to provide a new notice including 10 years of information on inflation, average income growth rates, and property tax changes.
2. The department will require 0.08 FTE economist hours annually for report development and to keep tax information current.

- Based on the number of assessment notices the department mails, it is estimated that in FY 2022 there would be 512,000 notices required to be mailed in October under SB 212, as amended. The department estimates this number grows by 2,500 each year to account for expected new properties.
- At 70 cents per mailing, the department will require an additional \$358,400 in FY 2022, \$360,150 in FY 2023, \$361,900 in FY 2024, and \$363,650 in FY 2025, for the new mailing required under SB 212 as amended.

<u>Fiscal Impact:</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Department of Revenue	Difference	Difference	Difference	Difference
FTE	0.08	0.08	0.08	0.08
<u>Expenditures:</u>				
Personal Services	\$6,695	\$6,781	\$6,882	\$6,985
Operating Expenses	\$358,400	\$360,150	\$361,900	\$363,650
TOTAL Expenditures	<u>\$365,095</u>	<u>\$366,931</u>	<u>\$368,782</u>	<u>\$370,635</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$365,095	\$366,931	\$368,782	\$370,635
TOTAL Funding of Exp.	<u>\$365,095</u>	<u>\$366,931</u>	<u>\$368,782</u>	<u>\$370,635</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$365,095)	(\$366,931)	(\$368,782)	(\$370,635)

Effect on County or Other Local Revenues or Expenditures:

Department of Revenue

- The requirements of SB 212 may change local billing processes at an unknown cost.

NO SPONSOR SIGNATURE

4.8

KA

4-6-21

Sponsor's Initials

Date

Budget Director's Initials

Date