



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0029: Revise administration of property tax exemptions

Primary Sponsor: Sherry Essmann

Status: As Introduced

☐ Included in the Executive Budget

☒ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$96,688	\$95,285	\$96,561
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>(\$96,688)</u>	<u>(\$95,285)</u>	<u>(\$96,561)</u>
<b>General Fund Balance</b>				

### Description of fiscal impact

HB 29 requires the Department of Revenue to administer a periodic review of exempt from property tax. The department must maintain public information of this tax-exempt property and report certain information to the Revenue Interim Committee. The department will require 1.00 FTE to fulfil the requirements of this new program.

### FISCAL ANALYSIS

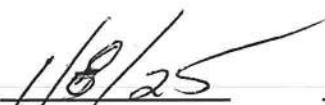
#### Assumptions

1. HB 29 requires the Department of Revenue to periodically review exempt property and grants rulemaking authority to establish this program.
2. The department will create rules to require approximately 1/8 of exempt properties to reapply each year, staggering the workload.
3. The department is also required to report to the Revenue Interim Committee each biennium on the exempt property reviewed.
4. It is assumed that no property is currently improperly classified as exempt. To the extent the new process reveals improperly classified exempt property, total taxable value will increase.
5. A public information database containing several characteristics of exempt property is required to be created and maintained.
6. The department will require 1.00 FTE for application processing, property review, preparing reports and maintaining the public website at a cost of approximately \$100,000 per year .

## Fiscal Analysis Table

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b><u>Fiscal Impact</u></b>				
FTE	0.00	1.00	1.00	1.00
<b>TOTAL Fiscal Impact</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b><u>Expenditures</u></b>				
Personal Services	\$0	\$84,577	\$85,656	\$86,751
Operating Expenses	\$0	\$12,111	\$9,629	\$9,810
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$96,688</b>	<b>\$95,285</b>	<b>\$96,561</b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$0	\$96,688	\$95,285	\$96,561
<b>TOTAL Funding of Expenditures</b>	<b>\$0</b>	<b>\$96,688</b>	<b>\$95,285</b>	<b>\$96,561</b>
<b><u>Revenues</u></b>				
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	\$0	(\$96,688)	(\$95,285)	(\$96,561)

  
 Sponsor's Initials

  
 Date

  
 Budget Director's Initials

 1/7/2025  
 Date