



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0915.01: Revise taxation of certain wind generation facilities**

Primary Sponsor: **Jerry Schillinger** 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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	(\$3,743,000)	(\$3,549,000)	(\$3,360,000)	(\$3,175,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$3,521,000	\$3,338,000	\$3,160,000	\$2,986,000
University	\$222,000	\$211,000	\$200,000	\$189,000
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$3,521,000	\$3,338,000	\$3,160,000	\$2,986,000
University	\$222,000	\$211,000	\$200,000	\$189,000
Net Impact	<u>\$3,743,000</u>	<u>\$3,549,000</u>	<u>\$3,360,000</u>	<u>\$3,175,000</u>
General Fund Balance				

Description of fiscal impact

HB 915 reclassifies most class 14 wind generation facilities (3% tax rate) to class 13 (6% tax rate), doubling the taxable value of these properties. This increases revenue collected from the state 95 mills for school equalization and 6 university mills.

FISCAL ANALYSIS

Assumptions

1. Under current law, class 14 property includes all wind generation facilities and taxes them at 3%. HB 915 reclassifies wind generation facilities of centrally assessed companies and those operated by an exempt wholesale generator to class 13 property taxed at 6%.
2. The bill reclassifies most current class 14 property to class 13. In TY 2025, the statewide taxable value of affected class 14 property is expected to be \$37.1 million. Under HB 915, as class 13 property, the taxable value would double to \$74.2 million, an increase of \$37.1 million, or 0.67% of total statewide taxable value.
3. The increase of taxable value increases revenue collected from the 95 mills for school equalization and 6 university mills. The impact to collections from the 1.5 vo-tech mills is less than \$100. The following table contains the taxable value increase and resulting impact to collections from the state mills.

Impact	FY 2026	FY 2027	FY 2028	FY 2029
TV Increase	\$37,063,000	\$35,136,000	\$33,259,000	\$31,430,000
SEPTR	\$3,521,000	\$3,338,000	\$3,160,000	\$2,986,000
University	\$222,000	\$211,000	\$200,000	\$189,000

4. Administrative costs will be absorbed by the department.

Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
<u>Funding of Expenditures</u>				
General Fund (01)	(\$3,743,000)	(\$3,549,000)	(\$3,360,000)	(\$3,175,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$3,521,000	\$3,338,000	\$3,160,000	\$2,986,000
University	\$222,000	\$211,000	\$200,000	\$189,000
TOTAL Funding of Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
University	\$222,000	\$211,000	\$200,000	\$189,000
SEPTR	\$3,521,000	\$3,338,000	\$3,160,000	\$2,986,000
TOTAL Revenues	<u>\$3,743,000</u>	<u>\$3,549,000</u>	<u>\$3,360,000</u>	<u>\$3,175,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$3,743,000	\$3,549,000	\$3,360,000	\$3,175,000
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR	\$0	\$0	\$0	\$0
University	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures

- Several wind generation facilities currently receive a taxable value abatement as new or expanding industry (NEI). These abatements only apply to local levies and are expected to transfer with the reclassification. Because of the abatement, the taxable value increase for local jurisdictions is less than the increase for the state. The statewide taxable value increase subject to local levies would be \$20.1 million in FY 2026, \$19 million in FY 2027, \$18 million in FY 2028, and \$17 million in FY 2029.

2. Only taxing jurisdictions with affected wind generation facilities would see an increase in taxable value. In these jurisdictions, taxes would be shifted away from all other classes of property onto the wind generation facilities.



Sponsor's Initials

4-2-25

Date



Budget Director's Initials

4/2/2025

Date