



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0025: Require exempt entities to report beneficial use of property

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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### Description of fiscal impact

- HB 25 explicitly makes property owned by an exempt entity that is leased for the beneficial use of a nonexempt entity subject to taxation unless the exempt entity annually reports the beneficial use of the leased property. It is assumed all leased property is appropriately utilized for beneficial use so there will be no increase in taxable value. Implementation costs are minor and will be absorbed by the Department of Revenue.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Revenue

- HB 25 explicitly makes property owned by an exempt entity that is leased for the beneficial use of a nonexempt entity subject to taxation.
- If the entity annually reports the beneficial use of the leased property, it may retain the tax-exempt status.

She  
Sponsor's Initials

1/8/25  
Date

RO  
Budget Director's Initials

1/7/2025  
Date