

FISCAL NOTE

Bill #: HB351

Title: Tax incentive for unused commercial buildings.

Primary

Sponsor: Alan Olson

Status: Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	FY2002 <u>Difference</u>	FY2003 <u>Difference</u>
Net Impact on General Fund Balance:	0	0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	x	Significant Local Gov. Impact		x	Technical Concerns
	x	Included in the Executive Budget		x	Significant Long-Term Impacts
	x	Dedicated Revenue Form Attached		x	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. This proposal allows property tax benefits to certain commercial property increasing in taxable value due to reconstruction, remodeling, or expansion of structures that have not been used in the last 6 months.
2. Property tax revenue will be impacted depending on the amount of qualifying commercial property, and on the acceptance of applications for the proposed tax benefit by local governments. The department does not have data on improvements to commercial structures that are not in use to project revenue impacts under the proposal.
3. Under current law, the same commercial property that qualifies for tax benefits for remodeling, reconstruction, or expansion in this proposal is already eligible for tax benefits under 15-24-1501. In fiscal year 2001 twenty-six counties had commercial property under 15-24-1501, totaling \$91,771,149 in market value.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Property tax revenue will be impacted depending on the amount of qualifying property, and on the acceptance of applications for the proposed tax benefit by local governments. The department does not have data available to project the value of property that would be impacted by the proposal.