

FISCAL NOTE

Bill #: SB232

Title: Limit property tax increases

Primary Sponsor: D. Mahlum

Status: Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY2002 Difference	FY2003 Difference
Net Impact on General Fund Balance:	No Impact	to General Fund Balance

<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 could allow for a slightly higher mill levy for local taxing jurisdictions than current law
2. To the extent that the proposal results in slightly higher mill levies for local taxing jurisdictions than allowed currently, the state general fund would see a slight decrease in non-levy revenue.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal could impact the mill levy calculation for local government in which the growth in the tax base due to newly taxable property is less than the growth rate of inflation. The proposal will allow local government to increase property tax revenue at a rate that is equal to the rate of inflation.

TECHNICAL NOTES:

1. The language in section 1(b)(i) needs clarification. Suggested language could be “the amount of taxes assessed in the prior year multiplied by the average rate of inflation for the prior two years”.
2. The language in section 1(b)(ii) needs clarification. The language in 1 (b) (ii) currently reads “ the amount of taxable value of newly taxable property....”. Clearer language would be “the amount of revenue generated by newly taxable property”