

FISCAL NOTE

Bill #: SB496

Title: Temporarily exempt new energy storage facilities from property taxes

Primary Sponsor: Glaser

Status: Amended 2nd Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Revenue:		
General Fund	\$0	\$2,860
University System	\$0	\$180
Net Impact on General Fund Balance:	\$0	\$2,860

<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. For the purposes of this fiscal note it is assumed that 20 tanks will qualify for the exemption and be exempt from property tax in tax year 2002 (fiscal year 2003 impact) due to the proposal.
2. It is assumed that these tanks would have been installed under current law therefore a tax loss is associated with the proposal.
3. It is assumed that the average market value of each tank is \$50,000.
4. The tanks are considered class 4 commercial property.
5. The homestead exemption for class 4 commercial property is 13% in tax year 2002.
6. The tax rate for class 4 commercial property is 3.46%
7. The average taxable value per tank is \$1,505 (\$50,000 x .87 x 3.46%).
8. The state mills applied to the taxable value of the tanks is 95 mills for the state general fund and 6 mills for the university system.

(continued)

9. The estimated tax revenue loss to the state general fund for each tank is estimated to be \$143 ($\$1,505 \times 0.095$).
10. The total estimated tax revenue loss for fiscal year 2003 for the state general fund is \$2,860 ($\143×20).
11. The estimated tax revenue loss to the university system for each tank is estimated to be \$9 ($\$1,505 \times 0.006$).
12. The total estimated tax revenue loss for fiscal year 2003 for the university system is \$180 ($\9×20).
13. The total local government and local school mills applied to the taxable value of the tanks is estimated to be 300 mills.
14. The estimated tax revenue loss to local governments and local schools for each tank is estimated to be \$451.50 ($\$1,505 \times 0.300$).
15. The total estimated tax revenue loss for fiscal year 2003 for local governments and local schools is \$9,030 ($\451.50×20).

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

It is estimated that the proposal would reduce the property tax revenue for local governments and local school districts by \$9,030 in fiscal year 2003 and subsequent fiscal years until the proposal terminates after fiscal year 2011.