

Fiscal Note Request HB 747, Introduced
(continued)

<u>FISCAL IMPACT:</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
FTE	19.00	7.00
 <u>Expenditures:</u>		
Personal Services	\$434,855	\$197,383
Operating Expenses	\$265,938	\$54,883
Equipment	<u>\$103,600</u>	
TOTAL	\$804,393	\$252,266
 <u>Funding of Expenditures:</u>		
General Fund (01)	\$804,393	\$252,266
 <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$804,393)	(\$252,266)

TECHNICAL NOTES:

1. Under the proposal, a homeowner receives the 31% exemption under 15-6-201, whether or not a homeowner is in class 4 or new class 14. The proposal changes the language referring to class 4 market value in 15-8-111 from “assessed at the applicable percentage of market value” to “assessed at 100% of market value”. The language referring to class 14 requires assessment “at the applicable percentage of market value.” Since the calculation of market value is the same for new class 14 and class 4, the assessment of both classes, and language under 15-8-111 should be alike.
2. New Section 3, Sub (2) specifies an application deadline for the “homestead” of July 15, 2003. It would be impossible for the department to develop, mail, and process upon return from taxpayers, the initial “homestead” application by July 15, 2003. Current (FY 2003) DOR funding / budget does not include the costs to administer this process; as the bill is written, the entire application process would need to be completed within the time frame between July 1 and July 15, 2003. In order for the department to comply with the proposal, the date for the initial “homestead” application would need to be moved to September 1, 2003.
3. The proposal would make complying with all statutory deadlines related to property taxation unfeasible; an additional new section extending 2003 deadlines relating to property taxation is necessary. Recommended language as follows:

“NEW SECTION, Extension of 2003 deadlines relating to property taxation. As a result of the provisions in [sections 1 through 3] enacted by the 58th legislature, it may not be possible to comply with certain statutory deadlines relating to appraisals, assessments, reimbursements, budgets, and collection of property taxes. The state appraisal and assessment process may be delayed, which in turn may cause delays for the tax appeal boards and local government taxing jurisdiction budgeting and collection processes. Therefore, for tax year 2003, all deadlines are extended as necessary and reasonable, except that the time limits allowed for filing an appeal remain the same as provided by law in order to allow for the orderly and efficient assessment and collection of taxes.”