



**Fiscal Note Request HB0038, As Introduced**

(continued)

**Example of Impact of HB38**

<b>Existing Law Exemption</b>						
<u>Acreage</u>	<u>Taxable Value</u>	<u>Total Taxes</u>	<u>State General Fund</u>	<u>University</u>	<u>Local Gov't and Schools</u>	
2,452	\$3,551	\$0.00	\$0.00	\$0.00	\$0.00	
<b>HB 38, Proposed Law Exemption</b>						
<u>Acreage</u>	<u>Taxable Value</u>	<u>Total Taxes*</u>	<u>State General Fund</u>	<u>University</u>	<u>Local Gov't and Schools</u>	
160	\$106	\$0.00	\$0.00	\$0.00	\$0.00	
<u>2,292</u>	<u>\$3,445</u>	<u>\$1,992.69</u>	<u>\$327.28</u>	<u>\$20.67</u>	<u>\$1,644.75</u>	
<u>2,452</u>	<u>\$3,551.00</u>	<u>\$1,992.69</u>	<u>\$327.28</u>	<u>\$20.67</u>	<u>\$1,644.75</u>	

\*For property tax levies only. Does not include any fees or other assessments.

Under the **HB38, Proposed Law Exemption** portion of the example, only 160 acres of the property would be exempt from taxation. The balance of the acreage, 2,292 acres, would be subject to all state and local taxes.

Had this proposal been in effect at the time of application, this property would have paid a total of \$1,992.69 in property taxes. The taxes would be distributed to the state, university system, local governments and local schools.

5. This proposal does not affect properties that have qualified for an exemption prior to December 31, 2004; that is, existing properties already receiving the exemption are “grandfathered in” under this proposal. Consequently, the proposal applies only to future agricultural properties that will attain exempt status as being of a “purely public charity” nature. The department has no means of forecasting the number of these properties, or the value of the land that would otherwise be exempt from property taxes under current law.
6. If properties that currently have the grandfathered exempt status sell to a non-exempt entity, then all of the property becomes taxable. Under the proposal, if properties that currently have the grandfathered exempt status and more than 160 acres sell to another “purely public charity”, then the amount of property over 160 acres would become taxable.
7. The department does not anticipate any additional administrative costs associated with this bill and will be able to administer the proposal within the existing budget.