



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2015 Biennium

<b>Bill #</b>	HB0152	<b>Title:</b>	Provide deadlines for governing bodies to review tax exemption applications
<b>Primary Sponsor:</b>	Fitzpatrick, Steve	<b>Status:</b>	As Amended in House Committee

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 152, as amended, establishes new processes and time lines for local government approval or denial of a property tax abatement or property tax exemption relating to: new or expanding industry; remodeling, reconstruction, or expansion of buildings or structures; remodeling, reconstruction, or expansion of certain commercial properties; historic properties; business incubators; industrial parks; and buildings and land owned by a local economic development organization. There is no fiscal impact to the state.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Revenue**

1. Currently, property tax abatements and property tax exemptions are subject to approval by the relevant governing body. This includes property relating to new or expanding industry (15-24-1402, MCA), the remodeling, reconstruction, or expansion of buildings and structures (15-24-1501, MCA), the remodeling, reconstruction, or expansion of certain commercial property (15-24-1502, MCA), historic properties (15-24-1603, MCA), business incubators (15-24-1802, MCA), industrial parks (15-24-1902, MCA), and building and land owned by local development organizations (15-24-2002, MCA).

2. HB 152 as amended establishes deadlines for the approval or denial of the tax abatements/exemptions listed above based on the applicant's date of submission of a complete application for exemption or abatement. Failure of the governing body to meet these deadlines results in the applicant's right to seek from the district court a writ of mandamus to compel the governing body to make a determination.
3. The proposed deadline for the historic property tax abatement includes: the governing body must publish due notice within 60 days of receiving the taxpayer's application or within 30 days of receiving the local review board's recommendation, and conduct a public hearing within 120 days of receiving the application.
4. The proposed deadline for all other property tax abatements/exemptions listed include: the governing body must publish due notice within 60 days of receiving the taxpayer's completed application, and conduct a public hearing within 120 days receiving the application.
5. In addition, HB 152 as amended, establishes that the applicant must have applied by March 1 of the year during which the benefit is first applicable.
6. There will be no fiscal impact to the Department of Revenue.
7. This bill is effective on passage and approval.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*