Fiscal Note 2019 Biennium

Bill # | HB0226  
Title: | Increase property tax abatement for new or expanding industry  
Primary Sponsor: | Perry, Zac  
Status: | As Introduced

☐ Significant Local Gov Impact  
☐ Needs to be included in HB 2  
☐ Technical Concerns  
✓ Included in the Executive Budget  
☐ Significant Long-Term Impacts  
☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

<table>
<thead>
<tr>
<th>FY 2018 Difference</th>
<th>FY 2019 Difference</th>
<th>FY 2020 Difference</th>
<th>FY 2021 Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Net Impact-General Fund Balance:</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Description of fiscal impact: HB 226 increases the initial level of local option tax abatement for new and expanding industries from 50% to 75%. New property put in place starting TY 2018 is eligible for this abatement. There is no property tax revenue impact to the state.

FISCAL ANALYSIS

Assumptions:

Department of Revenue
1. HB 226 raises the initial five-year local abatement for new and expanding property to a 75% abatement (instead 50%) of local levies after approval by the local governing body. The second five-year phase-out period would continue as under present law.
2. The property valuation information system will require some reprogramming that will be done as part of annual system changes.

Effect on County or Other Local Revenues or Expenditures:
1. To the extent local jurisdictions grant tax abatements, local property tax receipts will be reduced in the near-term relative to present law.