



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0190	Title:	Revise tax rate for golf courses
Primary Sponsor:	Tenenbaum, Danny	Status:	As Introduced

- | | | |
|--|--|--|
| <input checked="" 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 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$245,000	\$271,000	\$276,000
State Special Revenue	\$0	\$15,000	\$17,000	\$17,000
Net Impact-General Fund Balance:	\$0	\$245,000	\$271,000	\$276,000

Description of fiscal impact: HB 190 changes the rate at which golf course property is taxed. It changes from being taxed at half the tax rate of class 4 commercial property (0.95%) to being taxed at the same rate as all other class 4 commercial property (1.89%).

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Tax year 2020 (FY 2021) data was filtered for golf course property that would be affected by HB 190 and is presented in the following table:

TY 2020 Golf Course Property Value Current Law and HB 190 (\$ millions)			
	<u>Current Law</u>	<u>HB 19</u>	<u>Difference</u>
Market Value	\$239.994	\$239.994	\$0.000
Unabated Taxable Value	\$2.280	\$4.560	\$2.280
General Fund	\$0.217	\$0.435	\$0.217
6-Mill Revenue	\$0.014	\$0.027	\$0.014

- The value of this property is assumed to grow at the same rate as class 4 property as estimated in HJ 2.
- HB 190 first applies to TY 2022 property value, effecting FY 2023 collections and subsequent years.
- Costs associated with HB 190 are not anticipated to be significant and changes will be done as part of annual updates.

Fiscal Impact:	FY 2022 Difference	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference
Department of Revenue				
FTE	0.00	0.00	0.00	0.00
Expenditures:				
Personal Services	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$0	\$0	\$0
Funding of Expenditures:				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
Revenues:				
General Fund (01)	\$0	\$245,000	\$271,000	\$276,000
State Special Revenue (02)	\$0	\$15,000	\$17,000	\$17,000
TOTAL Revenues	\$0	\$260,000	\$288,000	\$293,000
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	\$0	\$245,000	\$271,000	\$276,000
State Special Revenue (02)	\$0	\$15,000	\$17,000	\$17,000

Effect on County or Other Local Revenues or Expenditures:

Department of Revenue

- The increase in taxable value under HB 190 will lower mills proportional to the change in taxable value in levy districts with golf course property. The following table presents the statewide average effects.

TY 2020 Golf Course Property Value Current Law and HB 190 (\$ millions)			
	Current Law	HB 19	Difference
Market Value	\$239.994	\$239.994	\$0.000
Unabated Taxable Value	\$2.280	\$4.560	\$2.280
Local and School Mills	\$0.973	\$1.946	\$0.973

QJ TL J
Sponsor's Initials

1/26/21
Date

K-A
Budget Director's Initials

1/25/21
Date