



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0298

**Title:** Revise information included on property valuation statement

**Primary Sponsor:** Galloway, Steven

**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

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<b>Expenditures:</b>				
General Fund	\$49,500	\$36,821	\$0	\$34,726
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$49,500)</u>	<u>(\$36,821)</u>	<u>\$0</u>	<u>(\$34,726)</u>

**Description of fiscal impact:** HB 298 would require the Department of Revenue to include the market value of prior cycle assessments on the assessment notice. If the market value increased by more than 10%, it would require the department to include an explanation for the reason of the increase.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Revenue**

- There are a number of reasons why the value could increase by 10% between reappraisal cycles. These include but are not limited to, new construction, change in percent complete, change in valuation method, change in tax classification, change in classification, market appreciation or a combination of any of the above.
- This bill would become effective on October 1, 2021 (FY 2022), and first apply to assessments issued in June 2023, the next reappraisal cycle.
- It is estimated that system changes would be needed to develop a formula based on pre-specified criteria to determine the most likely cause of the increase. It is estimated that these changes would require 300 hours at \$165 per hour, or \$49,500 in one-time costs in FY 2022.
- Using the data from the 2021 reappraisal, approximately 280,000 records would meet the 10% threshold and an estimated 5%, or 14,000, would not be flagged systematically and would therefore need to be manually

**Fiscal Note Request – As Introduced**

*(continued)*

reviewed and updated to include a reason. This is estimated to require an additional 0.50 FTE in odd numbered fiscal years beginning in FY 2023.

<b>Fiscal Impact:</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
<b>Department of Revenue</b>				
<b>FTE</b>	0.00	0.50	0.00	0.50
<b>Expenditures:</b>				
Personal Services	\$0	\$30,007	\$0	\$30,723
Operating Expenses	\$49,500	\$6,814	\$0	\$4,003
<b>TOTAL Expenditures</b>	<b>\$49,500</b>	<b>\$36,821</b>	<b>\$0</b>	<b>\$34,726</b>
<b>Funding of Expenditures:</b>				
General Fund (01)	\$49,500	\$36,821	\$0	\$34,726
<b>TOTAL Funding of Exp.</b>	<b>\$49,500</b>	<b>\$36,821</b>	<b>\$0</b>	<b>\$34,726</b>
<b>Revenues:</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</b>				
General Fund (01)	(\$49,500)	(\$36,821)	\$0	(\$34,726)

**NOT SIGNED BY SPONSOR**

\_\_\_\_\_ 2/12/21 \_\_\_\_\_ KA \_\_\_\_\_ 2/11/21  
 Sponsor's Initials Date Budget Director's Initials Date