



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0432	Title:	Revise property tax exemptions for affordable housing
Primary Sponsor:	Gunderson, Steve	Status:	As Introduced

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|---|--|--|
| <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 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
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

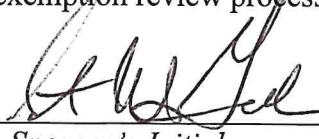
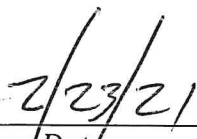

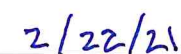
Description of fiscal impact: HB 432 broadens the criteria for the property tax exemption available to owners of rental housing for lower-income tenants. There is no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- HB 432 adds an exemption for property that is owned and operated by a non-profit 501(c)(3) corporation and was constructed using a home investment partnerships program (HOME) grant.
- The Board of Housing currently has 70 HOME grants in their portfolio. Most properties receiving HOME grants currently qualify for property tax exemptions under 15-6-201, MCA, as charitable non-profit organizations, or under the current 15-6-221(1), MCA.
- The department does not have precise data on the number of properties that would be able use the new exemption, however based on the current HOME financed portfolio of properties there are few, if any, additional properties that would qualify for this exemption.
- Any workload associated with HB 432 will be absorbed as part of the department's annual property tax exemption review process.

 Sponsor's Initials	 Date	 Budget Director's Initials	 Date
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