



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0132

Title: Require property tax bill to include comparison to prior year

Primary Sponsor: Anderson, Fred

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</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: This bill has no fiscal impact to the state. However, HB 132 would require counties to revise tax bills to contain an itemization of the taxes due for each mill levy with a comparison to the levies in the prior year. This may pose a cost on local governments per 1-2-114, MCA.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- HB 132 would require county tax bills to contain an itemization of the taxes due for each mill levy and a comparison to the amount due for each mill levy in the prior year. Tax bills are generated and mailed by each of the respective county treasurers and therefore this bill would have no direct impact to the department.

Effect on County or Other Local Revenues or Expenditures:

Montana Association of Counties (MACO)

- Counties will be required to revise tax bills. HB 132 would require county tax bills to contain an itemization of the taxes due for each mill levy compared to the levies in the prior year. This change to local property tax bills, which are generated and mailed by individual county's, will require changes that will increase costs. Some counties will need to pay to reprogram their billing software, while other counties may have these costs built into their vendor contracts. All counties will see increases in paper and printing costs, and potentially increased mailing cost for bills which include more inserts.

Technical Notes:

Department of Revenue

1. There is no effective date listed for this bill, therefore it would become effective on October 1st. Though it differs by county, tax bills are typically generated and mailed in mid-to late-October. This may cause some uncertainty which could be remedied with an explicit effective date coordinated with the local government budget setting and billing process.

Office of Budget and Program Planning

2. This bill may require local governments to spend additional sums for which no specific means of financing are provided. A threshold is set in 1-2-112 (4) (b), MCA at which a “required expenditure of the equivalent of approximately 1 mill levied on taxable property of the local government unit or \$10,000, whichever is less, may be considered an insubstantial amount”.



Sponsor's Initials

1/13/21

Date



Budget Director's Initials

1/12/21

Date