

# FISCAL NOTE

Requested by Legislative Council  
01/07/2005

Bill/Resolution No.: HB 1209

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1209 broadens the farm residency exemption by increasing the allowable nonfarm income to \$55,000 for each of the preceding three years. It is not possible to estimate how many persons would qualify, or how many presently taxable residences would become exempt under the provisions of HB 1209.

This bill would reduce tax revenue to the state medical center by an indeterminable amount. It would not affect overall tax revenue to any political subdivision that levies under NDCC Section 57-15-01.1, but it would shift the tax burden from newly exempted farm residences to other taxpayers.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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**Agency:** Office of Tax Commissioner  
**Date Prepared:** 01/18/2005

