

FISCAL NOTE
Requested by Legislative Council
01/16/2019

Revised
 Bill/Resolution No.: SB 2309

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$31,178,000			
Appropriations			\$31,178,000			

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2309 expands the property tax credit for qualifying veterans.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This fiscal note assumes the intent of SB 2309 was to add all disabled veterans - regardless of the degree of disability - as well as other veterans receiving pension payments to the current disabled veterans property tax credit program. The bill also removes the limit on the value of the homestead subject to the credit.

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.*

According to statistics provided by the Department of Veterans Affairs, the intended provisions of SB 2309 will expand the property tax credit to a total of 13,126 North Dakota veterans, which is an increase of approximately 7800 from those already partially covered under the existing program. Assuming 75% of these individuals will qualify for the credit and will own homes taxed at an average of \$2000, enactment of the bill can be expected to increase state general fund expenditures by an estimated \$31.178 million in the 2019-21 biennium. (This estimate has been reduced by the amount of the current disabled veterans credit program, which is approx. \$4.1 million per year.)

- 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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Office of Tax Commissioner receives an appropriation for the issuance of the disabled veterans property tax credit payments to the counties. If enacted, SB 2309 will require an increase in this appropriation of an estimated \$ 31.178 million for the 2019-21 biennium.

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