



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

<b>Bill information:</b>	
SB0054 - Revise centrally assessed property appraisals (Hertz, Greg )	
<b>Status:</b>	As Introduced

- |  |  |  |
|--|--|--|
| <input checked="" 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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	(\$874,000)	(\$1,061,000)	(\$918,000)
State Special Revenue	\$0	(\$55,200)	(\$67,000)	(\$58,000)
<b>Net Impact-General Fund Balance:</b>	\$0	(\$874,000)	(\$1,061,000)	(\$918,000)

**Description of fiscal impact:** Beginning TY 2024, SB 54 would institute a two-year reappraisal cycle for most centrally assessed property, all of which are currently appraised annually. Overall, centrally assessed property values generally increase every year. By holding values constant over two years, state and local governments would forgo the change in taxable value of an annual appraisal in the second year of appraisal cycle which would then be captured in the subsequent first year of the cycle. The one-time deferral of the marginal change carries-through relative to the fiscal baseline.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Revenue (DOR)**

- Under current law all taxable property in Montana, other than class 3 agricultural land, class 4 residential and commercial property and class 10 forest land property, are assessed annually. Classes 3 and 4 are assessed on a two-year basis, and forest land is assessed on six-year cycle.



<b><u>Fiscal Impact:</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
<b><u>Department of Revenue</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>	<b><u>Difference</u></b>
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	(\$874,000)	(\$1,060,000)	(\$918,000)
State Special Revenue (02)	\$0	(\$55,200)	(\$67,000)	(\$58,000)
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>(\$929,200)</b>	<b>(\$1,127,000)</b>	<b>(\$976,000)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$874,000)	(\$1,060,000)	(\$918,000)
State Special Revenue (02)	\$0	(\$55,200)	(\$67,000)	(\$58,000)

**Effect on County or Other Local Revenues or Expenditures:**

**Department of Revenue**

- The change in the timing of reappraisal leads to small reductions in taxable value for centrally assessed property. In local jurisdictions the reductions would shift to all other local property taxpayers and holding total jurisdiction revenue at its present law level. The estimated taxable value reduction is about 0.21% of all statewide taxable value. This average shift will vary based on the proportional weight of affected centrally assessed property in the jurisdiction.

**NO SPONSOR SIGNATURE**

\_\_\_\_\_  
Sponsor's Initials

1/6/23  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Budget Director's Initials

1-5-23  
\_\_\_\_\_  
Date