

FISCAL NOTE
Requested by Legislative Council
04/19/2007

Amendment to: Reengrossed
SB 2032

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$16,188,000)			
Expenditures				\$83,604,000		
Appropriations				\$83,604,000		

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					\$0			

2A. **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 2032 Second Engrossment with House Amendments - Majority Report allocates \$80 million in property tax relief funds - based on 2006 actual levies, reduces the "marriage penalty" and expands the Homestead credit program.

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.*

Section 1 of SB 2032 Second Engrossment with House Amendments - Majority Report will allocate \$80 million to property taxing districts in the 2007-09 biennium, a reduction of 5.9% based on 2006 levies. Section 2 expands the existing Homestead Credit program for low income elderly and disabled homeowners and renters. Section 11 removes a portion of the marriage penalty.

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.*

Section 11 of the bill updates all of the Form ND-1 tax brackets to the 2007 level. Additionally the section broadens the lowest "married filing separate" bracket to equal the lowest "single" bracket and broadens the lowest "married filing joint" bracket to equal twice the lowest "single" bracket.

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.*

Expenditures from the permanent oil tax trust fund are estimated to increase by \$80 million for payments to counties for property tax reduction, and \$3.604 million for payments to counties and renters for the expanded homestead credit provisions.

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 is also included in the executive budget or relates to a continuing appropriation.*

There are two appropriations from the permanent oil tax trust fund contained in Sections 13 and 14 of the bill.

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