

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/21/2019**

Bill/Resolution No.: SB 2360

- 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						
Appropriations						

- 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 2360 changes the definition of farm income for purposes of the farm residence property tax exemption. It also removes the existing limitation on non-farm income.

- 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 2360 changes the definition of farm income to "gross" in place of "net". The bill also changes the share that farm income must be relative to total income from 50% of net, to 66% of gross income, or more. Additionally it removes the dollar limitation for allowable non-farm income.

If enacted, SB 2360 may result in additional residences qualifying for property tax exemptions, primarily due to the repeal of the limitation on allowable non-farm income. Additionally, the switch from net to gross income may also enable additional residences to qualify as exempt farm residences. The number and value of additional residences that may become exempt under the provisions of SB 2360 is not known.

Any change in farm residence exemptions will shift the property tax burden among taxable property owners in the taxing district but will not change property taxes overall.

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, 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.*

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