

# FISCAL NOTE

## HB 24

March 8, 2005

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Finance and Administration to certify by September 15<sup>th</sup> each year the amount of state surplus revenue collected during the preceding year and to notify the Governor, the Speaker of the Senate, the Speaker of the House, and the State Treasurer of such surplus. No later than December 1<sup>st</sup> of each year, such state surplus revenue shall be distributed to the various counties on the basis of population. Requires local governments to decrease property tax collections by the amount substantially equal to the funds distributed to the county from the state surplus.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Dependent on the extent to which the state realizes a surplus each year. To the extent any subsequent fiscal year produces a state surplus equaling the FY04 surplus, state revenues could decrease by as much as \$433.0 million. Local governments would experience a net increase in expenditures estimated to be less than \$100,000 as a result of increased administrative costs associated with publishing new property taxes each year the state realizes a surplus.**

#### Assumptions:

- FY04 Work Program revenue estimate was \$9.409 billion.
- FY04 actual revenue was \$9.842 billion.
- FY04 surplus would have been approximately \$433.0 million (\$9.409 billion - \$9.842 billion = \$433.0 million).
- To the extent subsequent fiscal years produce a surplus equaling the FY04 surplus, state revenues could decrease by as much as \$433.0 million. Local govt. revenues would increase by the same amount.
- Local governments would be required to lower property taxes by the amount received due to the surplus.
- Increase to local government expenditures as a result of increased administrative costs are estimated as less than \$100,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director