

# FISCAL NOTE

## HB 1473 - SB 2061

March 13, 2007

**SUMMARY OF BILL:** Prohibits industrial development boards from negotiating payments in lieu of taxes in amounts less than the property taxes that would have otherwise gone to local schools unless the county commission approves such an agreement by 2/3 vote.

### ESTIMATED FISCAL IMPACT:

#### Increase Local Govt. Revenues – Exceeds \$17,500,000

Assumptions:

- Approximately \$100,000,000 in reduced taxes currently paid according to such agreements.
- \$40,000,000 currently received by local governments for payments in lieu of taxes.
- 75% of property tax payments go to schools.
- Half of the agreements addressed by the bill would be approved by the county commission.
- Most cities do not levy property taxes for schools.
- Increase calculated as:

$$\frac{(\$100,000,000 \times 75\%) - (\$40,000,000)}{2} = \$17,500,000$$

### 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

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