

FISCAL NOTE
SB 757 - HB 1578

March 14, 2007

SUMMARY OF BILL: Authorizes local governments undergoing property tax reappraisal to increase the certified rate for property tax purposes by a factor of up to 3%, as determined by the State Board of Equalization, to account for projected increases in the cost of services.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Not Significant
Increase Local Govt. Revenues - \$8,400,000

Assumptions:

- Approximately 25 counties would be impacted each year.
- Smaller counties would be impacted by this bill. The four largest counties in the state would not be impacted.
- A taxable base of \$47,000,000,000 which derives approximately \$1,500,000,000 in taxes annually.
- $\$1,500,000,000 \times 3\%$ (the maximum increase) = \$45,000,000.
- Approximately $\frac{1}{4}$ of the counties reappraise each year.
 $\$45,000,000 \times 25\% = \$11,250,000$.
- One-half of the counties have left tax rates unchanged since the last reappraisal (only these counties would be authorized to receive the adjustment) $\$11,250,000 \times 50\% = \$5,625,000$.
- City taxes will be approximately $\frac{1}{2}$ of the amount of county taxes.
 $\$5,625,000 \times 1.5 = \$8,437,500$.
- Any increases in local government expenditures to implement the provisions of the bill are estimated to be not significant.

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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