

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 14, 1996

SUBJECT: **SB 3084 - HB 3137**

This bill, if enacted, will provide for alternative methods for calculating and certifying a property tax rate so that local governing bodies will have the ability to collect property tax revenues that are adjusted for inflation. The current law requires that a tax rate is certified that provides the same ad valorem tax revenue as during the previous year.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

The fiscal impact from enactment of this bill is estimated to be an increase in local government revenues of \$16,000,000. This impact assumes that:

- 1) Local governing bodies will choose the method that provides the most beneficial rate possible;
- 2) Using the calculation most advantageous, the average increase in revenues is \$1,000,000 per county in the year in which the county is due to certify rates;
- 3) Approximately twelve counties reappraise in a year;
- 4) The impact to cities is estimated to be one-third that of counties; and
- 5) The inflation factor to be used is the general consumer price index.

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

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, prominent initial "J".

James A. Davenport, Executive Director