

House Property Tax Division  
 Revenue Impact Summary for Selected Property Tax bills -  
 Friday, March 3, 2023

Note: This table reflects expenditure changes to the base budget reflected in the February 2023 forecast. Positive numbers are an expenditure increase, negative numbers are a reduction/cost savings.

Bill No.	Sponsor	Bill description	General Fund Expenditure Change (000's)					
			FY 2024	FY 2025	FY 24-25	FY 2026	FY 2027	FY 26-27
<b>Property Tax changes</b>								
1	HF 1808	Howard	<b>Property Tax class rate changes 4(d) property, Community Land Trust</b>					
	with A1	Removes tiered rates for 4d(1) rental housing property and sets the class rate at 0.25%; requires reporting of the property tax savings by Mar 15, 2026.						
		Creates a new 4d(2) class for community land trust property; with a class rate of 0.75%.						
		About \$350 million in market value would change from class 1a to 4d(2). Properties changing to class 4d(2) would REMAIN eligible for homeowner property tax refunds						
		Effective assessment year 2024, aids payable 2025 & 2026						
		Property Tax Refund intrctn - shift from 4d to other		0	0	2,950	2,950	5,900
		Property Tax Refund intrctn - 4d reduced rate		0	0	(310)	(310)	(620)
		Subtotal Property Tax Refund interaction (net)		0	0	2,640	2,640	5,280
		Class 4d Transition Aid - 37 cities impacted		0	0	790	790	1,580
		Income Tax interaction		0	0	(10)	(10)	(20)
		<b>Total General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,420</b>	<b>3,420</b>	<b>6,840</b>
2	HF 236-1E	Freiberg	<b>Expand disabled veteran market value exclusion</b>					
		Creates a new formula for calculation of the exclusion: sets assmt yr 2023 base @ \$400,000 (then growing annually with IPD factor thereafter) times disability rating percentage.						
		Would allow a surviving spouse to submit a first-time application at any time after a member's death.						
		Effective assessment year 2023						
		21,000 homesteads currently receive the exclusion. Expanding the exclusion would benefit 14,000 more homesteads.						
		1,000 homesteads of surviving spouses currently receive the exclusion. Expanding eligibility would add 100 more homesteads.						
		Property Tax Refund interaction - Veteran Homesteads	0	(2,820)	(2,820)	(3,760)	(4,420)	(8,180)
		Property Tax Refund interaction - Other Homesteads	0	850	850	1,060	1,210	2,270
		<b>General Fund</b>	<b>0</b>	<b>(1,970)</b>	<b>(1,970)</b>	<b>(2,700)</b>	<b>(3,210)</b>	<b>(5,910)</b>

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3	HF 2172	Hornstein	<b>Tourism Improvement special taxing district</b> Allows a municipality, by request of business owners, to create tourism impvmt district to collect service chg from businesses w/in distirct. Funds would pay for promotions or improvements w/in district. Qualifying businesses be subject to lodging tax.  Effective day following enactment +1.  <b>General Fund - No State Impact</b>	0	0	0	0	0	0
4	HF 2054	Heintzeman	<b>Property taxes homestead resorts, tier limits modified</b> Extends Tier 1 from \$600K to \$1 Million; Tier 2 from \$1 Million to \$3.5 Million, Tier 3 over \$3.5 Million. Class rates are 0.5%, 1.0% and 1.25% respectively. Only Tier 3 is subject to SGL  Effective assessment year 2024 Total Net tax capacity for 1c property would be reduced 11%, impacting about 390 parcels  <b>General Fund</b>	0	0	0	20	20	40
<b>Property Tax Aids</b>									
5	HF 1103 A2	Stevenson	<b>Public Safety Aid</b> New aid available to cities and counties that employ licensed peace officers and/or firefighters, to be used to pay for programs that provide at least 1 hour of mental health services per 6 mo. of service.  Appropriates \$ 9M/yr, effective with pay year 2024 Local Public Safety Aid Property Tax Refund interaction Income Tax interaction  <b>General Fund</b>	0	8,660	8,660	8,660	8,660	17,320
					9,000	9,000	9,000	9,000	18,000
					(250)	(250)	(250)	(250)	(500)
					(90)	(90)	(90)	(90)	(180)