

**House Property Tax Division**  
**Revenue Impact Summary for Selected Property Tax bills -**  
**Wednesday, February 15, 2023**

Note: This table reflects expenditure changes to the base budget reflected in the **November 2022 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 Refund changes</b>											
1	HF 1506 DE1	Lislegard	<b>Homestead Credit State Refund (HCSR) changes</b>								
			Reduces eligible homeowner copay 5-10%, increases maximum refund by \$300, reduces thresholds by 0.1% for incomes \$23,400-\$35,650								
			Effective Pay 2024/ FY 2025								
			All current 582,000 HCSR filers would receive an increase, the average refund being \$168.				0				
					Homestead Credit State Refund						
				97,900		99,900	101,700	201,600			
			<b>General Fund</b>	<b>0</b>	<b>97,900</b>	<b>97,900</b>	<b>99,900</b>	<b>101,700</b>	<b>201,600</b>		
2	HF 1422	Wolgamott	<b>Increase Senior and Disability Subtraction for PTR</b>								
			Increases the household income subtraction from \$4,800 to \$9,600								
			Approx 253,000 homeowners would see an increase, the average amount of \$101								
			Approx 95,000 renters would see an increase, the average amount of \$98.								
			10,000 new claimants would become eligible.								
			Effective for property taxes paid in 2024; for rent paid in 2023.								
					Homestead Credit State Refund	0	25,500	25,500	27,100	27,800	54,900
					Renter's Property Tax Refund	0	9,200	9,200	9,700	9,800	19,500
			<b>General Fund</b>	<b>0</b>	<b>34,700</b>	<b>34,700</b>	<b>36,800</b>	<b>37,600</b>	<b>36,800</b>	<b>37,600</b>	<b>74,400</b>
3	HF 1323 DE1	Agbaje	<b>Renters Credit Property Tax Refund changes</b>								
			Expands maximum household income from \$73m680 to \$90,000, reduces copay by 5% for some, increases max refund by \$10-\$100.								
			Effective for property taxes paid in 2024 and for rent paid in 2023.								
			54,000 current Renter PTR filers would receive increase, average amount being \$62								
			Increasing HH income to \$90,000, 47,000 additional filers would be eligible, average refund being \$457								
					Renter's Property Tax Refund	0	24,500	24,500	26,100	27,700	53,800
			<b>Total General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,100</b>	<b>27,700</b>	<b>26,100</b>	<b>27,700</b>	<b>53,800</b>

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4	HF 700	Youakim	<b>Special Targeting Property Tax Refund</b> Reduce 12% to 10% the increase in property taxes for which a special property tax refund can be claimed; increase max refund from \$1,000 to \$2,000  Current 71,000 homeowners will file for Targeting Refund, all of whom would receive an increase, the average being \$35.  With decrease in yearly change to 10%, 17,000 homeowners will become eligible  Effective Pay 2024/FY 2025					
			<u>0</u>	<u>2,700</u>	<u>2,700</u>	<u>2,500</u>	<u>2,800</u>	<u>5,300</u>
		<b>General Fund</b>	<b>0</b>	<b>2,700</b>	<b>2,700</b>	<b>2,500</b>	<b>2,800</b>	<b>5,300</b>
<b>Property Tax Aids</b>								
5	HF 1427	Hill	<b>Electric generation transition aid to local governments plus appropriation</b> Creates an electric generation aid for cities, counties and school districts to offset sudden negative impacts on local property taxpayers when electric generating units at a utility are retired and removed from the local tax base.  1. Aid is calculated using a) the change in net tax capacity (from the base assessment year to the current year) that exceeds 4% of jurisdiction's total tax capacity, <b>times</b> b) the jurisdiction's tax rate. Unit transition amounts are reduced by 5% in each subsequent year until it reaches \$5,000. At that point the aid is zero.  2. For unit retirements in 2016-2023, unit base year for aid calculation is 2023.  3 generating units retired since 2016, for which five jurisdictions would begin aid in FY 2025, a total of \$2.12M, gradually decreasing over 20 yrs  2 generating plants with units to retire 2023, for which four jurisdictions would begin aid in FY 2026, an additional \$3.0M. 3 of 4 jurisdictions no longer qualify in FY 2027, reducing combined total to \$2.93M  Effective for aids payable 2024 and after					
			0	2,120	2,120	5,020	2,930	7,950
			0	(70)	(70)	(160)	(90)	(250)
			<u>0</u>	<u>(20)</u>	<u>(20)</u>	<u>(60)</u>	<u>(30)</u>	<u>(90)</u>
		<b>General Fund</b>	<b>0</b>	<b>2,030</b>	<b>2,030</b>	<b>4,800</b>	<b>2,810</b>	<b>7,610</b>

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<b>Property Tax changes</b>									
6	HF 1504	Norris	<b>Homestead Market Value Exclusion (MVE) changes</b> Increases exclusion from 40% market value up to \$76,000 to \$80,300 for a maximum exclusion of \$32,120, up from \$30,400  Increases maximum value of homesteads eligible for exclusion from \$413,800 to \$437,100  Over 1 million homesteads currently qualify for MVE; total value amount excluded is \$16.63 billion. 96% homesteads would qualify for increase plus 53,000 newly eligible homesteads; Total increase in exclusion is \$2.4 billion or about 14%.  Effective Assessment 2024/Pay 2025/FY 2026  Property Tax Refund interaction (net)						
		<b>General Fund</b>	<b>0</b>	<b>0</b>	<u>0</u> <b>0</b>	<u>(1,310)</u> <b>(1,310)</b>	<u>(1,310)</u> <b>(1,310)</b>	<u>(2,620)</u> <b>(2,620)</b>	
<b>Local Lodging Taxes</b>									
7	HF 102	Klevorn	<b>City of Plymouth</b> Current 3% lodging tax (above general authorization) is due to sunset Dec 31, 2030. Proceeds are for capital improvements to public recreational facilities and marketing.  The bill seeks to eliminate the sunset. Effective day following enactment (DFE)						
		<b>General Fund - No State Impact</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	