

FISCAL NOTE

	FY 2022	FY 2023	FY 2024
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND (12 mills)	(\$0)	(\$1,520,000)	Indeterminable
AD VALOREM TAX (other taxing entities)	(\$0)	(\$2,860,000)	Indeterminable

	FY 2022	FY 2023	FY 2024
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND (31 mills)	\$0	\$4,190,000	Indeterminable

Source of revenue (decrease):

Decrease in property taxes paid on tangible personal property

Source of expenditure increase:

The School Foundation Program (SFP) will experience both an entitlement expenditure increase and a recapture revenue decrease from the 31 mill revenues in K-12 local resource to school districts. These impacts from revenue generated by the 31 mills are shown above as an expenditure increase from the SFP.

Assumptions:

The above estimate is based on information from 17,680 business personal property accounts (313,780 individual pieces of property) and 3,350 oil and gas equipment accounts (96,567 individual pieces of equipment). Of the total revenue decrease of \$8,570,000 in FY 2023, \$5,070,000 is attributable to business personal property and \$3,500,000 is attributable to oil and gas field equipment. The revenue decrease in fiscal years after FY 2023 is estimated to be a substantial less, however these revenue decreases are indeterminable.

The above estimate is based on tax year 2020 information. It is assumed accounts that utilize the cost approach to value would be impacted. The above estimate is based on accounts with property valued at 80% depreciation based on a "Residual Value" and based on the appraisal concept of "Value in Use". By eliminating a "residual value" or a "value in use", it is assumed the value of personal property would be fully depreciated to \$0 value at the end of its economic life.

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