

FISCAL NOTE

	FY 2022	FY 2023	FY 2024
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
GENERAL FUND		(\$408,000)	(\$408,000)

Source of expenditure (decrease):

The expenditure decrease is due to lowering the maximum assessed property valuation tax exemption benefit from \$3,000 to \$2,700 for eligible veterans, as noted in the bill.

Assumptions:

The program appropriation is located in the State Treasurer's Office (STO) and the expenditure decrease would be reflected in the STO's budget. However, the Department of Revenue (DOR) establishes the rules for the program, works directly with county assessors to track the exemptions and valuations from the program, and compiles a reimbursement report for the STO on which to base reimbursement payments made directly to counties.

The DOR estimates the fiscal impact of the bill based on tax year 2020 information. The impact has not been adjusted for inflation nor deflation based on prior years' data and valuation trends and are assumed to remain level over the time frame.

The impact includes both real/personal property and motor vehicles, as allowed in law, as tracked by the DOR. For real property, the maximum benefit of \$3,000 is almost always reached based on real property values. The same goes for most motor vehicles. However, older vehicles will frequently be valued less than the maximum exemption amount. The DOR calculated the program impact based on the granted exemptions and the assessed value. If the assessed value was greater than or equal to \$2,700, that number was used in the calculation. Otherwise, the actual assessed value was used for the calculation.

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