

FISCAL NOTE

	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue /(decrease)			
SCHOOL FOUNDATION FUND (12 mills)	(\$0)	(\$30,400,000)	(\$31,500,000)
AD VALOREM TAX (local taxing entities)	(\$0)	(\$58,800,000)	(\$60,900,000)

	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND (31 mills)	\$0	\$78,500,000	\$81,300,000

Source of revenue (decrease):

This bill decreases the property tax assessment rate for the all other property class from 9.5 percent to 7.5 percent, effective January 1, 2024 (2024 tax year), reducing property taxes beginning in FY 2025.

Source of expenditure (decrease):

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

Assumptions:

The above estimate is based on the 2022 tax year assessed valuation of property in the all other property class from the 2022 State Board of Equalization Abstract and Mill Levy Report and the average mill levy applied to non-mineral property of 66.22 mills computed from information in the 2022 Department of Revenue Annual Report. The tax year 2022 assessed valuation data is adjusted by the projected non-mineral property assessed value growth rates reflected in Table 9 of the January 2023 Consensus Revenue Estimating Group (CREG) forecast.

Based on the information described above, this bill would decrease property taxes by approximately \$167.7 million in tax year 2024 (FY 2025) and approximately \$173.7 million in tax year 2025 (FY2026). These revenue decreases are broken down in the table above by the revenue decreases in the 12 mills to the SFP, the 31 mills to K-12 local resource and the estimated 23.22 mills to local taxing entities.