



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0087: Revising taxation of lands owned by department of fish, wildlife, and parks

Primary Sponsor: Sherry Essmann Status: As Introduced

Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact

Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$189,000	\$190,000	\$192,000	\$194,000
State Special Revenue (02)	(\$201,000)	(\$204,000)	(\$206,000)	(\$208,000)
Revenues				
General Fund (01)	(\$1,000)	(\$2,000)	(\$2,000)	(\$2,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR - SSR	(\$189,000)	(\$190,000)	(\$192,000)	(\$194,000)
University 6-Mill SSR	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)
SEPTR - SSR	\$0	\$0	\$0	\$0
University 6-Mill SSR	\$0	\$0	\$0	\$0
Net Impact	<u>(\$190,000)</u>	<u>(\$192,000)</u>	<u>(\$194,000)</u>	<u>(\$196,000)</u>
General Fund Balance				

Description of fiscal impact

HB 87 would clarify current law regarding the Fish, Wildlife and Parks Department (FWP) land that is to be assessed and taxed as if the land was owned by a private citizen. The bill as introduced reduces state property tax equivalent by \$202,000 and local property tax equivalent by \$935,000. (see technical note #1).

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. Under current law, the Department of Fish, Wildlife and Parks (FWP) pays property tax equivalent for department-owned lands as if it were the taxable property of a private citizen.
2. There are certain specific property tax exemptions in current law:
 - FWP land acquired before May 10, 2009, is exempt if FWP owns less than 100 acres in a county, FWP game or bird farms, FWP fish hatcheries, and land acquired for state parks.
 - All department lands purchased after May 10, 2009, are subject to property tax equivalent in each county.

3. The intent of HB 87 is to clarify what FWP property is exempt in order to facilitate Department of Revenue (DOR) administration of property tax records, and to clarify appropriate billing of property tax equivalent in each county.
4. The changes proposed by HB 87 would remove the requirement for the department to pay taxes on any land purchased on or before May 10, 2009, and for taste park land acquired after May 10, 2009. (see Technical Note #1).
5. In TY 2024 FWP paid approximately \$1,227,000 in property tax equivalent statewide. FWP estimates that \$913,000 was for properties acquired on or before May 10, 2009, plus \$19,000 for State Parks land acquired after May 10, 2029. This represents \$932,000 less in property tax equivalent statewide (\$913,000+\$19,000). That is, if HB 87 had been in effect in TY 2024 FWP would have paid about \$294,000 in taxes.
6. In TY 2024, about 20% of property taxes were paid to the state through the 95 school equalization mills, 6 mills for universities, and 1.5 mills for vo-tech schools. That was about \$245,400 in state mills in TY 2024. FWP would have paid about \$186,400 less to the state under HB 87 than current law. This was grown by the HJ 2 estimate for Class 3 property to estimate the fiscal impact to the state for FY 2026-FY 2029.
7. The following table contains the impact to each state fund.

Fund	FY 2026	FY 2027	FY 2028	FY 2029
School Equalization (SSR)	-\$189,000	-\$190,000	-\$192,000	-\$194,000
University (SSR)	-\$12,000	-\$12,000	-\$12,000	-\$12,000
Vo-tech (GF)	-\$1,000	-\$2,000	-\$2,000	-\$2,000

8. Reductions to School Equalization and Property Tax Relief fund (SEPTR) receipts must be offset with increased general fund expenditures to meet the obligations of Title 20 school funding obligations.

Fiscal Analysis Table


Department of Revenue				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$0	\$0	\$0	\$0
FWP Operating Expense	(\$201,000)	(\$204,000)	(\$206,000)	(\$208,000)
Local Assistance	\$0	\$0	\$0	\$0
BASE Aid (OPI)	\$189,000	\$190,000	\$192,000	\$194,000
TOTAL Expenditures	(\$12,000)	(\$14,000)	(\$14,000)	(\$14,000)
<u>Funding of Expenditures</u>				
General Fund (01)	\$189,000	\$190,000	\$192,000	\$194,000
State Special Revenue (02)	(\$201,000)	(\$204,000)	(\$206,000)	(\$208,000)
TOTAL Funding of Expenditures	(\$12,000)	(\$14,000)	(\$14,000)	(\$14,000)
<u>Revenues</u>				
General Fund (01)	(\$1,000)	(\$2,000)	(\$2,000)	(\$2,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0
SEPTR - SSR	(\$189,000)	(\$190,000)	(\$192,000)	(\$194,000)
University 6-Mill SSR	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)
TOTAL Revenues	(\$202,000)	(\$204,000)	(\$206,000)	(\$208,000)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$190,000)	(\$192,000)	(\$194,000)	(\$196,000)
State Special Revenue (02)	\$201,000	\$204,000	\$206,000	\$208,000
SEPTR - SSR	(\$189,000)	(\$190,000)	(\$192,000)	(\$194,000)
University 6-Mill SSR	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)

Effect on County or Other Local Revenues or Expenditures

- Counties would receive approximately \$933,000 less in annual revenue relative to current property tax equivalent payments for FWP-owned lands.

Technical Concerns

The intent of the bill is to treat FWP property the same as it is under current law. DOR and FWP have drafted an amendment to correct the bill drafting error in the introduced bill.



 Sponsor's Initials



 Date



 Budget Director's Initials

1/9/2025

 Date