	OFFICE O	OFFICE OF LEGISLATIVE AUDITOR				
Lettinative Legislative Audroris		Fiscal Note Fiscal Note On: HB 34 HLS 051ES 276 Bill Text Version: REENGROSSED Opp. Chamb. Action: Sub. Bill For.:				
Fiscal Nates	Proposed Amd.:					
Date: November 14, 2005	7:56 AM	Author: ALARIO				
Dept./Agy.: Local Government						
Subject: Ad Valorem Taxation	ו	Analyst: Shawn Dietrich				

TAX/AD VALOREM-EXEMPTIONRE +\$3,325,000 GF EX See NotePage 1 of 1(Constitutional Amendment) Provides for continuation of homestead exemption and special assessment level for property
damaged or destroyed by natural disaster (Item #41)Page 1 of 1

Purpose of Bill: Proposes a constitutional amendment that continues the homestead exemption and special assessment level for any qualifying homestead that is damaged or destroyed during a disaster or emergency declared by the governor and whose owner is unable to occupy the homestead on or before December 31st of a calendar year due to such damage or destruction. Owners must file with their assessors an annual affidavit of intent to return and reoccupy the homestead within five years from December 31st of the year following the disaster. Owners may receive only one homestead exemption. Provides for a statewide election to be held on February 4, 2006.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$3,325,000	\$0	\$0	\$0	\$0	\$3,325,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$3,325,000	\$0	\$0	\$0	\$0	\$3,325,000
REVENUES	2005-06	2006-07	<u>2007-08</u>	<u>2008-09</u>	2009-10	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill could increase state general fund expenditures by approximately \$3,325,000 in fiscal year 2006.

According to the Secretary of State's office, the total cost of placing the proposed amendment on the February 4, 2006 ballot is about \$3,325,000 (\$3.2 million for conducting the election and \$125,000 for printing and election supplies). This figure covers the cost of drayage of voting machines, election commissioners' expenses, board of election supervisors' expenses, clerks of court expenses, voting machine setup costs, precinct rentals, registrars' expenses, ballot printing (absentee, machine, and sample), and election supplies. Additional state general funds would be required since this election is not part of the FY 2005-06 budget.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

This bill allows home owners already receiving a homestead exemption to continue to receive the exemption even though they cannot occupy the dwelling due to damage or destruction on or before December 31st of a calendar year. To continue to receive the exemption, the homeowner must file an affidavit with the assessor of his intent to return home within 5 years from December 31st of the year following the disaster.

This bill allows home owners already receiving a special assessment level to keep the special assessment level even though they cannot occupy the homestead on or before December 31st of a future calendar year. The owner must reoccupy the repaired homestead within five years of December 31st of the year following the disaster.

<u>Senate</u>

<u>Dual Referral Rules</u>

x 13.5.1 >= \$500,000 Annual Fiscal Cost

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6.8(F) >= \$500,000 Annual Fiscal Cost

David %. Green

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease David K. Greer Director, Performance Audit