

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6613-01
Bill No.: SB 1094
Subject: Easements and Conveyances; Revenue Department; Taxation and Revenue
Type: Original
Date: March 9, 2016

Bill Summary: This proposal creates a property tax exemption for trails operated through railroad easements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **Office of Administration - Division of Budget and Planning (OA-B&P)** assume this proposal would provide a property tax exemption for privately-owned lands subject to railroad easements on which a state created trail operates

OA-B&P assumes property tax receipts could decrease and Blind Pension Fund revenues could decrease, thus lowering Total State Revenues. This may impact 18(e) calculations.

Officials from the **State Tax Commission** assume the fiscal impact of this proposal would be minimal, as some landowners currently pay taxes; however, easements would be of negligible value.

Officials from the **Department of Natural Resources**, the **Department of Revenue** and the **Department of Conservation** assume no direct fiscal impact from this proposal.

Due to the negligible values, minimal property taxes, and the small amount of effect to the State's Blind Pension Trust Fund (\$.03 levy), **Oversight** will show no fiscal impact in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

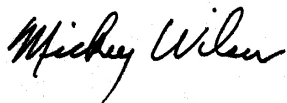
FISCAL DESCRIPTION

Under current law, as an alternative to abandoning a railroad easement, an out of service rail corridor may be used as a trail until the railroad needs the corridor for rail service, the proposal exempts from property taxation any portion of a landowners' parcel of land on which a trail is operated in this manner.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -
Division of Budget and Planning
State Tax Commission
Department of Natural Resources
Department of Revenue
Department of Conservation



Mickey Wilson, CPA
Director
March 9, 2016

Ross Strobe
Assistant Director
March 9, 2016