



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0025: Require exempt entities to report beneficial use of property

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)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact

- HB 25 explicitly makes property owned by an exempt entity that is leased for the beneficial use of a nonexempt entity subject to taxation unless the exempt entity annually reports the beneficial use of the leased property. It is assumed all leased property is appropriately utilized for beneficial use so there will be no increase in taxable value. Implementation costs are minor and will be absorbed by the Department of Revenue.

FISCAL ANALYSIS

Assumptions

Department of Revenue

- HB 25 explicitly makes property owned by an exempt entity that is leased for the beneficial use of a nonexempt entity subject to taxation.
- If the entity annually reports the beneficial use of the leased property, it may retain the tax-exempt status.

She
Sponsor's Initials

1/8/25
Date

RO
Budget Director's Initials

1/7/2025
Date