



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0905.01: Providing for a refund of property taxes for failure to abate a public nuisance**

Primary Sponsor: Greg Overstreet 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>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact

HB 905 allows a property owner to apply to the Department of Revenue for a refund equal to expenses incurred dealing with certain public nuisances. The Department of Revenue notifies the relevant local government entity, who may approve or deny the claim. If the claim is approved, the Department of Revenue refunds an amount up to prior year property taxes, with claims in excess carrying forward to future years. The general fund is reimbursed for this expense by deducting it from Entitlement Share payments to the local government failing to abate the public nuisance.

### FISCAL ANALYSIS

#### Assumptions

1. HB 905 creates a process where a property owner can request a refund for property taxes paid to a city, county, or consolidated city-county if that local government entity allows for policies or refuses to enforce policies that creates a public nuisance, and the property owner incurs documented expenses mitigating the public nuisance.
2. The refund is up to the amount of property taxes paid to the local government in question in the prior tax year, with any excess damages carried forward in future years.
3. The taxpayer files the claim with the Department of Revenue, which then has 15 days to notify the local government. If the local government accepts the basis of the refund, the Department of Revenue will send a refund to the taxpayer.
4. Any refund issued is to be offset by an equivalent deduction from the entitlement share of the local government that approves the refund.

5. If the local government denies the refund, the taxpayer may file in district court, and the local government bears the burden of proof.
6. Any refund from the state is covered by an entitlement share deduction, so there is no expected revenue loss to the state for this bill.
7. Costs associated with implementation will be absorbed by the department.


**Effect on County or Other Local Revenues or Expenditures**

1. HB 905 creates a mechanism that decreases local government revenues upon successful application or district court findings of public nuisance. It is unknown how many of these findings might occur.

**NOT SIGNED BY SPONSOR**

\_\_\_\_\_  
Sponsor's Initials

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Budget Director's Initials

4/2/2025  
\_\_\_\_\_  
Date