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### FISCAL IMPACT REPORT

SPONSOR:	Pederson	DATE TYPED:	02/11/00	HB	424
SHORT TITLE:	Amend County Correctional Facility Tax Act			SB	
				ANALYST:	Eaton

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ 2,018.0		Recurring	McKinley County Debt Svc
	\$ 62.4		Recurring	TRD Administrative Fee

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates SB 258 (Howes)

### SOURCES OF INFORMATION

Administrative Office of the Courts (AOC)

Taxation and Revenue Department (TRD)

## **SUMMARY**

### Synopsis of Bill

This bill amends sections of the County Correctional Facility Gross Receipts Tax (7-20(F)-2). The bill adds language to include eligibility of a class B county with a population between sixty thousand and sixty-three thousand (McKinley county: pop. 60,686).

The definition of correctional facility is amended to include courthouses and any other county facility used as a county administrative office.

A county board may enact the local (excise) tax option on a county-wide basis not to exceed 0.25%. The board may elect to submit to the voters the local tax option.

### Significant Issues

This bill allows counties to build judicial-correctional facilities that could be leased to the judiciary.

## **FISCAL IMPLICATIONS**

The fiscal impact of \$2018.0 (McKinley county debt service) assumes a tax rate of ¼% and a July 1, 2001 effective date for the tax imposition. During the first fiscal year the county would receive accrued revenue attributable to 11 months, due to the one month lag for tax return filing. The earliest McKinley County could impose the tax would be effective January 1, 2001. A January, 2001 imposition would provide 5 months of

accrued revenue during fiscal year 2000-2001, or about \$899.3 thousand for the county (after retention of TRD administrative fees).

The bill has no impact on state revenues.

Effective date is not specified - assume 90 days after the legislative session - about May 17, 2000.

### **ADMINISTRATIVE IMPLICATIONS**

A small impact on the Department would result from setting-up the new tax program and revenue distribution procedures. This bill will cause minor delays to other data processing project schedules.

JBE/gm