

Fiscal Note

BILL # SB 1274

TITLE: property tax levy; calculation; federal monies

SPONSOR: Leach

STATUS: As Introduced

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Description

SB 1274 would prohibit counties, cities, and towns that received American Rescue Plan Act (P.L. 117-2) Coronavirus Local Fiscal Recovery Fund (CLFRF) allocations from setting their primary property tax levies for tax year (TY) 2022 such that the amount levied on existing property exceeds the amount levied for all property in TY 2021. The limitation would also apply for TY 2023.

Estimated Impact

The bill is expected to have no impact on the General Fund.

The impact on local governments cannot be determined in advance of the adoption of their budgets for FY 2023.

Analysis

Under the American Rescue Plan Act, counties, cities, and towns received federal monies from the CLFRF. For counties and large cities and towns, the U.S. Treasury sent allocations directly to the recipients. For small cities and towns, the state received the CLFRF allocations and was required to distribute the monies to these entities.

SB 1274 would require that local governments use their CLFRF allocations to reduce their TY 2022 primary property tax levies on existing property so that they do not exceed their TY 2021 levies. The bill would also require that local governments use their CLFRF allocations to reduce their TY 2023 primary property tax levies on existing property so that they do not exceed what their TY 2022 levies would have otherwise been.

Each year, local governments set levies and tax rates during the budget process. Because these entities have not yet adopted their FY 2023 budgets, we are unable to determine the bill's impact on local governments.

2/18/22

