

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6137
BILL NUMBER: SB 19

DATE PREPARED: Oct 27, 2001
BILL AMENDED:

SUBJECT: Property Tax Exemption for Religious Property.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the 150-acre property tax exemption for educational institutions also applies to churches and religious institutions. It also increases the property tax exemption for parsonages from 15 acres to 150 acres.

Effective Date: July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: The State levies a small tax rate for State Fair and State Forestry. Any reduction in the assessed value base, as described below, will reduce the property tax revenue for these two funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, up to 15 acres of land on which an exempt building sits (or will sit) is also exempt for most qualifying organizations. The current exceptions are educational institutions, which may exempt up to 150 acres, and 4-H associations, which may exempt up to 200 acres.

This bill would provide an additional exception. Under the bill, religious organizations could exempt up to 150 acres of land, instead of being capped at 15 acres.

In general, additional exemptions would reduce the assessed value tax base. This would cause a shift of the property tax burden from the taxpayers receiving the exemptions to all taxpayers in the form of an increased tax rate. The actual fiscal impact depends on the amount of additional property that would qualify for an exemption under this proposal.

While sufficient data is not yet available to quantify the amount of the shift, data is being gathered. This fiscal note will be updated when the data becomes available.

State Agencies Affected:

Local Agencies Affected: County auditors.

Information Sources: