

STATEMENT OF PURPOSE

RS25408C1

Property tax exemption for qualified projects is one of the few economic development tools available to county governments to support and encourage business expansion opportunities.

Over the past several years, county commissioners have suggested that the limited scope of the property tax exemption - namely, that it requires \$3 million in capital investment and can be used only to support manufacturing projects - has been a limiting factor in supporting businesses that would have provided a boost to the local economy. This legislation enhances the project eligibility beyond manufacturing and creates a lower threshold for capital investment of not less than \$500,000. County commissioners would retain sole discretion on whether to extend this exemption to an eligible project and would have the ability to annually establish a higher threshold. They would also be required to notify local taxing districts when considering a property tax exemption.

FISCAL NOTE

This legislation would not result in any direct impact to the general fund. However, it is anticipated that the expansion of the county property tax exemption for qualified projects could enhance the usage. There would be no property tax shift because the new value is not put onto the new construction roll until the exemption expires.

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).