

FISCAL NOTE
Requested by Legislative Council
01/09/2019

Revised
 Bill/Resolution No.: HB 1353

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2017-2019 Biennium | | 2019-2021 Biennium | | 2021-2023 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-----------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | \$(800,000,000) | | |
| Appropriations | | | | \$(800,000,000) | | |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | \$800,000,000 | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1353 transfers \$800 million from the Common Schools Trust Fund to the new Common Schools Building and Renovation Fund, from which grants will be made to school districts.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impacts reflect the movement of the \$800 million out of the Common Schools Trust Fund before June 30, 2021 and the granting of the \$800 million to schools from the Common Schools Building and Renovation Fund during the 2021-23 biennium.

Due to the nature of the permanent trust distribution formula in Article IX, Section 2, of the North Dakota Constitution, there will be no impact on distributions from the Common Schools Trust Fund until the 2023-25 biennium. Once the full impact of House Bill 1353 is felt, it will reduce distributions from the Common Schools Trust Fund by \$40 million or more per year in perpetuity.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditure amount shown is the transfer of \$800 million out of the Common Schools Trust Fund, a special fund, to the Common Schools Building and Renovation Fund. No additional costs or FTE impacts.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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