

FISCAL NOTE

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Bill/Resolution No.: HB 1050

Amendment to: _____

Requested by Legislative Council

Date of Request: 12/11/96

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: This bill includes income in determining the equalization factor for the foundation aid program for schools effective January 1, 1998. The present foundation aid formula currently deducts an amount equal to 32 mills times the school district taxable valuation from the foundation aid payment. This bill reduces the deduct to 16 mills times the school district taxable valuation and adds a deduct of .21% times the total adjusted gross income of residents of the school district for the most recent taxable year. Based on a simulation using 1995-96 taxable valuation, \$1,862 pupil payment and adjusted gross income from 1994 ND tax returns, the fiscal impact of changing the equalization factor for the foundation aid program would be \$1.8 million dollars per year, or \$3.6 million per biennium. This is largely due to adjusted gross income that was not identified to a particular school district (resulting in \$2 million in deducts not assignable to a district).

- State fiscal effect in dollar amounts:

	1995-97 Biennium		1997-99 Biennium		1999-2001 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:						
Expenditures:			2,700,000		3,600,000	

- What, if any, is the effect of this measure on the appropriation for your agency or department?

a. For rest of 1995-97 biennium:	0
b. For the 1997-99 biennium:	2,700,000
c. For the 1999-2001 biennium:	3,600,000

- County, City, and School District fiscal effect in dollar amounts:

1995-97 Biennium			1997-99 Biennium			1999-2001 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
					2,700,000			3,600,000

If additional space is needed, attach a supplemental sheet.

Signed *Jerry Coleman*

Typed Name Jerry A. Coleman

Department Public Instruction

Date Prepared: 12/19/96

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