

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/10/2019**

Bill/Resolution No.: HB 1380

- 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
<b>Revenues</b>						
<b>Expenditures</b>			\$19,000,000		\$37,000,000	
<b>Appropriations</b>			\$19,000,000		\$37,000,000	

- 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
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

HB 1380 limits the dollar increases in property tax levied to 3% and limits the increase deducted from the funding formula to 3%.

- 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.*

HB 1380 would reduce the maximum increase of the contribution from property tax to the integrated funding formula from 12% to 3%. The bill allows the voters to authorize a temporary increase to exceed the 3% limit. The deduction from the formula would be adjusted for any increase the voters authorize.

The actual impact of HB 1380, if enacted, will depend on the actions of the local school district and any voter approval that may be sought.

The department does not currently collect enough data to know the total effect on school districts.

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 3% limitation will apply to school districts and will limit the increase in local funding from property taxes.

HB 1180 effectively shifts an estimated \$19 million from local sources to state sources required to fund the K-12 formula.

Adjusting the maximum increase in property tax contribution from 12% to 3% will increase the state share of the funding formula until all school districts are at 60 mills and taxable valuation is growing at a rate of less than 3%.

- 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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