

FISCAL NOTE
Requested by Legislative Council
01/25/2019

Bill/Resolution No.: HCR 3039

- 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			\$953,435,769			
Appropriations						

- 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			
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).*

HCR 3039 eliminates the use of property taxes and in lieu of property taxes for the foundation aid formula payment to public schools.

- 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.*

HCR 3039 would prohibit the state from directly or indirectly levying property taxes to pay for the operation and maintenance of public schools in the state.

School districts have the ability to levy mills on property for the general fund which supports the foundation aid formula payment. Other levy authority for the school districts include the tuition levy, miscellaneous levy, special reserve fund levy, building fund levy, special assessments levy, sinking and interest levy, and a judgment levy.

The integrated formula payments are currently funded by local dollars, the general fund, the common schools trust fund, and the foundation aid stabilization fund.

New building projects and renovations would increase the fiscal impact of this bill.

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 projections for the contribution of property tax for the 2019-21 biennium are roughly \$262.5 million in 2020 and \$273.5 million in year 2021 in the foundation aid formula.

The projections for contribution from in-lieu of property taxes are just under \$59 million each year of the biennium.

There is additional \$150 Million per year levied by school districts for purposes other than the general fund.

- 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.*

Name: Adam Tescher

Agency: Department of Public Instruction

Telephone: 701-328-3291

Date Prepared: 01/30/2019