FISCAL NOTE SENATE BILL NO. 2387 LC# 23.1062.02000 01/27/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

SB 2387 limits true and full valuation increases on a primary residence and agricultural property and limits the effective tax rate on property.

4 - Fiscal Impact Sections Detail

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 school district funding formula is calculated using a combination of state and local taxes. Sixty mills of the district taxable valuation are factored into the formula to determine the state aid amount. Freezing or limiting the taxable valuation increases the amount of state aid needed to fund districts adequately. The Department of Public Instruction cannot distinguish primary and secondary residence. The fiscal impact of this bill cannot be determined. The increase to the state aid portion of the school district formula would be sixty mills of that limited taxable

valuation, which otherwise would have increased greater than the allowed amount. Limiting the effective tax rate on the property may lower the mills levied by a school district. The school district funding formula does not account for any potential adjustments and would still deduct 60 mills.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

The appropriation for the Integrated Formula Payments is in DPI's budget bill, SB 2013.

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