

**FISCAL NOTE**  
**HOUSE BILL NO. 1176**  
**LC# 25.1003.06000**  
**05/02/2025**

**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.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$473,400,000		
Appropriations				\$408,900,000		

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

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 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).*

HB 1176 as amended, increases the primary residence property tax credit from \$500 to \$1600 annually; increases renter's refund amount to \$600 and adjusts the maximum taxable value reduction for the disabled veteran's program to \$9,000.

**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.*

Section 8 of HB 1176 expands the current renter's refund program by increasing the maximum benefit a qualified individual can receive from a maximum refund amount of \$400 to \$600 annually.

Section 9 of HB 1176 increases the credit amount applied against the taxable valuation of the homestead owned and occupied by the disabled veteran or surviving spouse, from the first \$8,100 to the first \$9,000, equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities.

Section 10 of HB 1176 expands the primary residence credit program beginning with the 2025 property tax year, increasing the maximum credit to up to \$1,600 against the consolidated tax due for the person's primary residence.

## 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.*

N/A

## 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.*

If enacted, section 8 of HB 1176 expands the maximum credit amount for the renter's refund program and is expected to provide \$1M in new, additional relief for renters in the 2025-2027 biennium.

If enacted, section 9 of HB 1176 is expected to provide \$7.4M in additional, disabled veteran's property tax relief in the 2025-2027 biennium.

If enacted, sections 10 and 11 of HB 1176 are expected to provide \$465.0M, in total, in primary residence property tax relief in the 2025-2027 biennium.

In total, HB 1176 is projected to generate an additional \$473.4M in relief in the 2025-2027 biennium.

## 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.*

Section 5 creates a new section to chapter 54-27 of the North Dakota Century Code as follows: Legacy earnings fund - State treasurer - Legacy fund distribution – Allocations in summary:

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys distributed by the state treasurer from the legacy fund pursuant to section 26 of article X of the Constitution of North Dakota. The distribution from the legacy fund on July first of each odd-numbered year must be equal to eight percent of the five-year average value of the legacy fund balance as reported by the state investment board. The average value of the legacy fund balance must be calculated using the fund balance at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.

The first one hundred two million six hundred twenty-four thousand dollars or an amount equal to the amount appropriated from the legacy sinking and interest fund for debt service payments for a biennium, whichever is less, to the legacy sinking and interest fund under section 6-09.4-10.1.

The remainder as follows:

1. Thirty percent to the highway fund.
2. Seventy percent to the legacy property tax relief fund.

## Contact Information

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