

**FISCAL NOTE**  
**HOUSE BILL NO. 1381**  
**LC# 25.1042.02000**  
**02/24/2025**

**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			\$13,500,000		\$13,500,000	
Appropriations						

**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 1381 as amended reduces the deduction from in lieu of property tax from 75% to 65% percent.

**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.*

HB 1381 reduces the in lieu of property tax deduction from 75% to 65%. The estimated cost is \$13.5 million. In lieu of property tax categories include oil and gas production tax, coal severance and conversion tax, mobile home tax, electric generation tax, mobile homes and several other categories. These are taxes levied using an alternative calculation rather than mills on taxable valuation. This changes in HB 1381 increases the state share of the foundation aid formula by \$13.5 million.

The Department of Public Instruction does not project significant changes for in lieu of property tax revenue which

would keep the cost similar into the future. Changes in the production of oil and gas or the other in lieu of property tax revenue would change the fiscal impact for HB 1381.

## **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 HB 1381 should be adjusted in HB 1013 for the Integrated Formula Payments.

## **Contact Information**

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