FISCAL NOTE SENATE BILL NO. 2363 LC# 25.1333.03000 02/12/2025

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			\$80,500,000			
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).

SB 2363 reduces a school district's ability to levy by 30 mills on agricultural land and updates the school district integrated formula payment to mirror the reduction.

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 1 requires the superintendent of public instruction to collect taxable valuations and mill levy certifications which must be separated by property classification. The Department of Public Instruction needs this information to accurately calculate each school district's foundation aid payment. The 2025-26 school district funding formula uses the 2024 taxable valuations. NDDPI would need to collect this additional information for the 2024 taxable valuation collection which has already been completed.

Section 2 changes the foundation aid formula to deduct 30 mills on agricultural property and 60 mills on all other categories of property. The state will increase its share of the foundation aid payment by 30 mills on agricultural property.

Section 3 mirrors the change in section 2 for the minimum local effort calculation, which calculates the local contribution for school districts with little taxable valuation.

Section 6 limits a school district's authority to levy 30 mills on agricultural property and 60 mills on all other property classifications. Section 6 also creates a new mill levy limitation of 10 mills on all classifications of property. This changes the school district's previous authority to levy 70 mills on all classifications of property.

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.

If enacted, Section 6 of SB 2363 is estimated to provide up to \$80,500,000 in property tax relief for agricultural property 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.

The appropriation for the integrated formula payment is in HB 1013. This appropriation would need to be increased by \$80,500,000.

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