

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1218

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

House Bill 1218 relates to school district ending fund balances

- 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.*

Section 2 continues the current offset provisions to state aid payment by the amount the ending fund balance exceeds 40% of expenditures plus \$20,000 into the 2015-16 payment year. This changes to 10% or \$300,000 in beginning July 1, 2016.

The section adds a provision that requires school districts to provide a credit in the amount of the difference to owners of all taxable property tax in the district against taxes levied for taxable year 2016 by the district on a prorated basis.

The wording in the bill has technical issues related to determining the amount of the credit. If the intent is to reset all school district ending fund balances to 10% in 2016-17 then the subtraction should be against the ending fund balance, not the greater of 40% of expenditures or \$300,000.

The fiscal impact relates to transferring the ending fund balance amount exceeding the new maximum back to taxpayers in the form of a credit. As school districts individually control their budgets, no fiscal impact can be determined.

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.*
- 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.*

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