

**FISCAL NOTE**  
**SENATE BILL NO. 2361**  
**LC# 23.1107.01000**  
**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 2361 allows an individual to file a claim with the county to freeze a primary residence's true and full valuation. The fiscal impact cannot be determined.

## 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 the taxable valuation of primary residence would limit the increase in the taxable valuation of the district, which would increase the amount of state aid needed to fund districts to an adequate level. The Department of Public Instruction is not able distinguish primary and secondary residence. If taxable valuation was to freeze across all taxable valuation, it would cost the state up to \$11 million per year or \$22 million per biennium.

## 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 is in SB 2013 for the Integrated Formula Payment. DPI is not able to estimate the increase in appropriation that would be needed to fund this bill.

## Contact Information

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**Date Prepared:** 01/27/2023