

FISCAL NOTE
SENATE BILL NO. 2301
LC# 25.0512.02000
02/04/2025
Revised - 02/04/2025

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			\$114,000,147			
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 2301 modifies current homestead tax credit provisions used to determine eligibility, including income thresholds, by adjusting the current fixed income range annually, based on federal poverty guidelines. In addition, SB 2301 increases the maximum benefit eligible individuals may receive.

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 amends section 57-02-08.1 of the North Dakota Century Code, changing income level limitations applicable to homestead tax credit eligibility. Income thresholds are adjusted as follows: (1) If the person's income is not more than three hundred twenty-five percent of the federal poverty guidelines, a reduction of one hundred percent of the taxable valuation of the person's homestead, up to a maximum reduction of thirteen thousand five

hundred dollars of taxable valuation. (2) If the person's income is more than three hundred twenty-five percent of the federal poverty guidelines and not more than six hundred percent of the federal poverty guidelines, a reduction of fifty percent of the taxable valuation of the person's homestead, up to a maximum reduction of six thousand seven hundred fifty dollars of taxable valuation.

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 1 of SB 2301 is estimated to provide up to \$114,000,147 in homestead property tax credit relief to eligible individuals in the 2025-2027 biennium.

The 2023-2025 biennium baseline budget appropriation for the homestead property tax credit programs is \$72,400,000. The 2025-2027 biennium estimate to fund SB 2301 in addition to baseline funding, is \$41,600,147.

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.

If SB 2301 is enacted, an additional sum of \$41,600,147 out of any moneys in the general fund in the state treasury, not otherwise included as a continuing appropriation, or so much of the sum as may be necessary, are requested to be appropriated to the tax commissioner for the homestead property tax credit program during the biennium beginning July 1, 2025, and ending June 30, 2027.

Contact Information

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