

FISCAL NOTE
SENATE BILL NO. 2367
LC# 25.1340.02000
02/13/2025

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						
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 2367 is a bill to require assessors to use modifiers to reduce the value of agricultural land.

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 fiscal impact of this bill is unable to be determined. The Tax Director would work with the governing body to develop a schedule of modifiers that would be used to decrease the tax for each parcel affected by the modifier, then it would be applied by the assessor.

The school district foundation aid formula uses a combination of state and local taxes. The formula assumes a 60-mill contribution on the taxable valuation of the school district. When the taxable valuation is reduced, the state increases its payment to ensure the school district is receiving the per pupil payment amount set in NDCC 15.1-27.

In 2023 the total agricultural taxable valuation for the state was over \$1.3 billion, this contributes an estimated \$78 million towards the school district foundation aid formula. A reduction of 10% of the taxable valuation would result in an increase to the state aid portion of the foundation aid formula of \$7.8 million annually. Other political subdivisions would have their tax levies redistributed to other property classifications.

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.

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