

FISCAL NOTE
HOUSE BILL NO. 1461
LC# 23.0903.01000
01/23/2023

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			\$976,048			
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).

HB 1461 limits tax increases from 12% to 5% in dollars in the school district funding formula and limits the amount of dollars that a taxing district can levy.

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 adjusts the school district integrated formula payment for the contribution of property tax from a 12% increase in dollars to a 5% increase in dollars. It would also deduct any additional levy authority given by the voters to be reduced in the school district integrated formula payment.

Section 2 sets limitations on taxing districts that a taxing district cannot levy more than 5% in dollars that the amount levied the prior year with the exception of property improvements, new construction, and changes in tax exempt

status.

Section 2 also allows a vote to approve tax increases greater than 5% in dollars with a 60% voter approval.

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.

Limiting the school district integrated formula to 5% in dollars would increase the expenditures in the formula by \$976,000. The adjustment pursuant to section 15.1-27-04.3 is still used in the formula calculation, which would get school districts to a 60 mill deduct by 2025-2026. Section 2 would limit the school district's ability to levy these additional dollars to get to sixty mills and would significantly impact the fastest growing school districts.

There would be no state impact for the 2025-2027 biennium as all school districts would be deducted at 60 mills, however, several of the school districts would not be able to levy 60 mills and districts would not be receiving the state per pupil funding rate currently set at \$10,237.

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.

Contact Information

Name: Adam Tescher

Agency: Department of Public Instruction

Telephone: 7013283291

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