

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/09/2017**

Amendment to: HB 1361

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$0		\$34,000,000	
<b>Appropriations</b>						

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>		\$0	\$0
<b>Townships</b>			

- 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).*

HB 1361 generally limits the dollar increases in property taxes levied by taxing districts to 3% per year.

- 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.*

HB 1361 limits the allowable amount of property tax increases in dollars to 3% per year, with certain allowable adjustments for new property, exempt property, etc. The bill allows the 3% limitation to be exceeded by a vote of the district's electors, for a single taxable year at a time.

The bill may also limit the growth in the state's 12% state paid property tax credit.

The actual impact of HB 1361, if enacted, will depend on the actions of the local taxing jurisdictions and any voter approval that may be sought.

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.*

The 1st engrossment amendments exempt school districts from the 3% limitation for the 2017-19 biennium.

Effective 2019, the 3% limitation will apply to school districts along with a provision to limit the increase in local funding from property taxes considered in the K-12 funding formula to mirror the new restriction on local property tax increases.

The amendments effectively shift an estimated \$34 million from local sources to state sources required to fund the K-12 formula for the 2019-2021 biennium. Total formula funding for school districts remains the same.

- 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.*

**Name:** Jerry Coleman

**Agency:** Dept. of Public Instruction

**Telephone:** 701-328-4051

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