

FISCAL NOTE
Requested by Legislative Council
04/15/2021

Amendment to: Engrossed HB 1246

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,700,000		\$8,600,000	
Appropriations						

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts		\$3,700,000	\$8,600,000
Townships			

- 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 1246 would reduce the deduction of in lieu of property tax for tuition received under an agreement to educate students with funding received through impact aid.

- 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.*

Section 1 would reduce the deduction from in lieu of property taxes for tuition that is received from the Minot and Grand Forks Base school districts. These districts are funded through federal impact aid and that money is paid to neighboring districts to educate students that are residents of the Air Force Base. This bill may affect other districts as well if tuition is paid using impact aid as the source of funds. It would be difficult for a district receiving these dollars to determine the source of the tuition payment.

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.*
- 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.*

Base school districts pay \$10.7 million dollars per year in tuition to public school districts. The reduction for in lieu of property taxes for this tuition would increase the state funding by \$3.7 million for the biennium. The increase in percentage would have a fiscal impact in the 2023-25 biennium of \$8.6 million.

- 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.*

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