

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/11/2021**

Bill/Resolution No.: HB 1200

- 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
<b>Revenues</b>						
<b>Expenditures</b>			\$21,000,000			
<b>Appropriations</b>						

- 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
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<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 1200 limits a taxing district's ability to increase tax levies more than two percent without voter approval.

- 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 The school district foundation aid formula's contribution cap limit decreases from twelve percent to two percent.

Section 2 limits the allowable property tax increases to 2% per year in instances where there is not voter approval to exceed that level. The bill makes exceptions for new property and property improvements.

The actual impact of HB 1276, if it is 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.*

- 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.*

The contribution from property tax in the school district foundation aid formula would project at \$288 million for 2021-22 and \$301 million for 2022-23 with a 2% cap. The cost to continue the 12% cap projects contributions of \$296 million and \$314 million for 2022-23. The state would increase its share of the foundation aid formula by \$21 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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