

FISCAL NOTE
Requested by Legislative Council
02/02/2009

Amendment to: SB 2268

1A. 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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$0		\$31,250		\$31,250
Expenditures		\$0		\$20,400		\$20,400
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill modernizes the language and terminology and redefines professional practice and registration. It provides for an increase in business registration fee cap and board member per diem rates.

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.*

43-19.1-05 increases per diem cap for Board members to \$135. Expense of \$20,400. Figure assumes Board will maximize the increase.

43-19.1-27 increases number of business entities registered. Revenues of \$31,250. Figure is an estimate.

43-19.1 (6) increases fee cap for business entity registration. At this time, the Board has no intent to raise registration fees so there is no immediate fiscal impact. The board is only seeking an increase in the fee cap as it did for individual registrations in the 2004 legislative assembly.

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 bill will have an impact on one, and possibly two areas of revenues for the state board of registration. SB 2268 redefines the requirements for the certificate of authorization (COA) and in so doing increases the revenues that will be realized from additional COAs being registered. The raising of the fee cap for COA registrants would have a revenue effect only when and if the state board of registration increases the renewal fee for these registrations. The COA is a registration for businesses performing engineering or surveying in North Dakota. Professional engineers and professional land surveyors will continue to be registered as individuals. Passage of SB 2268 will increase the total amount of application fees and renewal fees being collected from business entities who will now be required to become registered under the new amended registration requirements. The added revenue was determined by estimating the number of new registrants under this section. In the amount for the 2009-2011 biennium, the majority of the amount will be application fees. In the 2011-2013 biennium, the majority of the revenue will be from renewal fees. The figure assumes that every new COA issued will be renewed for the next biennium. At the present time, the state board of registration has approximately 475 COA registrants. As was mentioned earlier, the fee cap on the renewal is proposed to be increased from \$100.00 annually to \$200.00 however this change will only take effect when the state board would take action to implement this change.

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 area of fiscal impact on expenditures is limited to an increase in the board member per diem rate that was last changed in 1977. At present, board members daily per diem is \$25.00 and is paid to board members while attending meetings of the board of registration or while otherwise engaged in official state board business. This bill proposes increasing the daily per diem rate to \$135.00. This increase will result in a biennial increase in this expenditure category of \$20,240.00 for both the 2009-2011 and 2011-2013 bienniums. The amount was determined by reviewing the previous fiscal year which was viewed as an average year and extending the amounts. These amounts depend on board activity and business, however the state board's last fiscal period was considered to be a valid base upon which to make projections for this purpose. The proposed change will result in a per diem that is comparable with other state boards, commissions and agencies.

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 is also included in the executive budget or relates to a continuing appropriation.*

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