

FISCAL NOTE
Requested by Legislative Council
12/21/2010

Bill/Resolution No.: SB 2059

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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).*

This bill creates a technology impact zone program. The program would allow a local government to qualify for reimbursement of sales tax dollars to be used for technology-based economic development efforts.

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.*

This bill creates a technology impact zone program under which an applicant city or county, or group of cities and counties, may apply to the Department of Commerce to be designated as a technology impact zone. Each designated zone would receive semiannual distributions of sales and use taxes attributed to that zone to be used to support regional technology-based economic development initiatives.

An exact fiscal impact cannot be determined because it is unknown how many local governments will apply for and receive designation as a technology impact zone and how much sales tax revenue will be attributed to each designated zone in a given biennium. The bill limits the number of zones to eight zones and has a lifetime cap of \$3,000,000 per zone. Thus, the overall fiscal impact over multiple bienniums would be limited to \$24,000,000.

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.*

None.

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 amount of state sales and use taxes attributed to a technology impact zone would be distributed to that zone, with a lifetime cap of \$3,000,000 per zone. With a limit of eight zones statewide, the total possible state expenditures over multiple bienniums would be \$24,000,000.

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.

The amounts necessary to make distribution payments are appropriated to the state treasurer as a standing and continuing appropriation out of sales and use taxes deposited in the general fund.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	01/03/2011