

FISCAL NOTE
Requested by Legislative Council
03/19/2013

Amendment to: HCR 3007

- 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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(1,400,000)		\$(6,000,000)
Expenditures						
Appropriations			\$1,400,000		\$6,000,000	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
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).*

Would eliminate statewide one mill property tax levy that supports the operations of the UND School of Medicine and Health Sciences (SOMHS), effective after 12/31/13. Amended to change effective date to taxable years after 12/31/14.

- 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.*

Elimination of one-mill levy would reduce the current revenues of the UND SOMHS and would need to be replaced by offsetting general fund base appropriation. Amendment delays impact until the last six months of the 13-15 biennium (for taxable years after 12/31/14).

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.*

Current annual mill levy revenue collections are about \$5.2 million per biennium, with annual growth of about 4%. Thus, projected revenue loss in 2013-15 is \$5.5 million and \$6.0 million in 2015-17. As amended, the revenue impact would be delayed until the last six months of the 13-15 biennium, thereby reducing SOMHS revenues by about \$1.4 million in 13-15 and \$6.0 million in 15-17.

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

Base state general fund appropriations needed to offset revenue loss outlined in section A. Without replacement funds, the UND SOMHS would have to make significant budget reductions negatively impacting academic quality, services and enrollment.

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