

FISCAL NOTE
Requested by Legislative Council
02/26/2013

Revised
 Amendment to: HB 1145

- 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			\$(8,466,386)	\$8,466,386		
Expenditures				\$8,466,386		
Appropriations				\$15,336,386		

- 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).*

The bill increases the current level of appropriated funding to the fire districts from premium tax collections and increases the appropriated funds to the NDFA from premium tax collections.

- 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 creates a requirement for the fire districts to file a report of expenditures from the grant money received annually to the fire marshal. The fire marshal would then compile all the data into a biennial report to present to the budget section of the legislative management. Section 2 amends Section 18-04-05. Section 2 identifies that 100% of the premium tax collected on fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril and crop hail policies will be used to calculate the appropriated funds. The Section also changes the payment date to the Fire Districts from October to December 1st of each year which will have no fiscal impact. Section 6 identifies the amount of appropriated money to be distributed to the fire districts and the North Dakota Firefighter's Association for the 2013-15 biennium. The appropriation is set at \$15,336,386 coming from fire premium tax collections based on historical fire premium tax collections for the 2013-15 Biennium. The HB1145 appropriation of \$15,336,386 compares to the 2011-13 appropriated amount of \$6,870,000. The increase in appropriations will create an increase in revenue to the special fund and decreases the state's general fund revenue. The grant amount submitted in the Department's appropriation bill HB1010 was removed by the House to allow for only HB1145 appropriated funds. The bill will positively impact the various fire district political subdivisions. The fire districts will receive an increase in their revenue each year as the premiums and policies written increase.

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 revenue amount reported is the net increase in special funds and net decrease in general funds the state will experience with the change in the appropriated amount being available for distribution to the fire districts and NDFA. The amendment to Section 26.1-03-17 creates a decrease in the general fund revenue. The five lines of premium tax were calculated based on historical data and increasing the revenue amount accordingly. The current law states

that the legislative appropriated funds be deposited into the insurance tax distribution fund for distribution which is currently at \$6,870,000 and under HB1145 the distribution amount is set at \$15,336,386 increasing the revenue to special funds by \$8,466,386 and decreasing the general fund by the same amount.

- 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 expenditure amount reported is the net increase the state will experience with the change in the appropriated amount being available for distribution to the fire districts and NDFA. The state will experience an increase in its special fund expenditures by \$8,466,386. The increase is computed using the current expenditure amount in 2011-13 of \$6,870,000 and the new appropriated amount available to pay out of \$15,336,386. Any additional work required by the agency will be absorbed using existing resources.

- 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 appropriations amount reported is the TOTAL Appropriations for the Fire Districts and NDFA as set in HB1145. The state will experience an overall increase of \$8,466,386 to their appropriations in comparison to the 2011-13 budget.

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