

FISCAL NOTE
Requested by Legislative Council
03/10/2017

Amendment to: SB 2110

- 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.*

| | 2015-2017 Biennium | | 2017-2019 Biennium | | 2019-2021 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$30,000 |
| Expenditures | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$30,000 |
| Appropriations | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$30,000 |

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

| | 2015-2017 Biennium | 2017-2019 Biennium | 2019-2021 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | \$0 | \$0 | \$0 |
| Cities | \$0 | \$0 | \$0 |
| School Districts | \$0 | \$0 | \$0 |
| Townships | \$0 | \$0 | \$0 |

- 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).*

Passage of this bill as amended, would increase revenues by a possible \$40,000 for estimated late fees in the 2017-19 biennium.

- 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 2.c. would provide an increase in revenue estimated at \$40,000 for the 2017-19 biennium for both the late filing of reports and late payment fees as imposed by the director of homeland security. The \$40,000 would be retained by the Department of Emergency Services for the administration of the state's hazardous chemical preparedness and response program to manage late fee processes.

The agency intent is to provide incentive to timely reporting and payment of fees. Upon notification to reporting companies, it is the agency's assumption that late fees would go down and eventually be diminished in future bienniums. During the nine months before fees would be implemented, companies will receive three notices.

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.*

Late filing and payment fees are estimated at \$20,000 per year or \$40,000 for the 2017-19 biennium. This is purely estimates based on current late reporting with the assumption this revenue would decline by the 2019-21 biennium and continue to decline in the future.

Revenues generated by SB 2110 are not 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.*

Additional expenditures of \$80,000 generated by revenues from late fees would provide operating costs for maintaining a late fee system. These funds would be expended through the operating line. Implementing a late fee system will require continuous monitoring as well as administrative costs in notifications and overall awareness to reporting companies.

All expenditures would utilize the agency's current hazardous chemical fund.

No increase in FTE's for these changes, however, overall operating costs will increase.

- 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.*

The revenue and expenditures would all utilize the current hazardous chemical fund.

Late fees, estimated at \$40,000 for the 2017-19 biennium, would provide administrative costs that would go through the division's operating line to assist in managing the program.

The executive budget does not include appropriations for SB 2110.

Name: Holly Gaugler

Agency: Adjutant General

Telephone: 333-2079

Date Prepared: 12/28/2016