

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/12/2007

Amendment to: HB 1455

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	(\$22,500)	\$0	(\$45,000)
<b>Expenditures</b>	\$0	\$4,000	\$0	\$30,000	\$0	\$25,000
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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).*

We have 702 Whol/manf/dists licensed now. Some (300) of those currently licensed, may no longer qualify for licensure after VAWD is required. The flexibility given to the board with the amendments should ameliorate the financial consequences, by spreading it over a longer time period.

**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.*

The bill now exempts manufacturers only from the bond, fingerprint and pedigree requirement, not from being licensed. There are currently only 48 VAWD certified, but the flexibility to extend the date 1 year will allow many of those currently licensed to complete the process. The requirement to inspect now focuses on our in state licensees, with the VAWD certification taking care of most of the rest. The background checks will be paid for by the applicants, so should have no net fiscal impact. Rule making will cost about \$4000

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.*

Revenue for the board of pharmacy would decrease, as some of our current licensees will not be eligible, or may choose not to renew. An estimate of 150 in the next biennium and 300 in the 2009-2011 period under current license fees of \$150 per year, would reduce revenue somewhat, and might need to be made up with license fee increases, for those actually in the distribution business. This should not be a problem as North Dakota is currently among the lowest in the country. The board has adequate reserves to transition them over this uncertain period.

**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 board would need to retain an inspector at about one-fourth time, to fulfill the inspection criteria. \$5000 extra is included in the first year to provide training.

**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.*

No appropriations should be necessary, as the Boards licensing program should be self sustaining. The board has adequate reserves to transition them through the period when potential licensees are adjusting to the new requirements.

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