

FISCAL NOTE
Requested by Legislative Council
04/29/2009

Amendment to: Reengrossed
HB 1368

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Expenditures	\$0	\$0	\$0	\$225,000	\$0	\$225,000
Appropriations	\$0	\$0	\$0	\$225,000	\$0	\$225,000

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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 relates to the sale of reduced ignition propensity standards for cigarettes in North Dakota. It requires the Fire Marshal in the Office of Attorney General to assure testing is performed on each cigarette brand to determine the cigarettes comply with the specified performance standards.

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 Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement Fund is created by this bill, into which the cigarette brand certification fees are deposited and spent pursuant to legislative appropriation to fund the processing, testing, enforcement, and oversight activities required by the bill. The initial fee is \$250 per cigarette brand. The Fire Marshal can adjust this fee annually to assure it funds the cost of the performing the compliance testing. Each cigarette must be recertified every 3 years. The bill also includes monetary penalties for violation of NDCC Section 18-13-02, created by this bill, which are to be deposited into the Fire Prevention and Public Safety Fund to support fire safety and prevention programs.

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.*

For each brand to be certified the manufacturer must pay \$250 per year to the Fire Marshal. Monetary penalties for violations of NDCC Section 18-13-02 are deposited into the Fire Prevention and Public Safety Fund to support fire safety and prevention programs.

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 Fire Marshal is responsible for processing, testing, enforcement, and oversight of the reduced ignition propensity standards for cigarettes program. Expenditures include inspection travel and IT contractual costs to carry out these responsibilities.

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 Executive Recommendation did not include an appropriation for this program. These monies need to be appropriated to the Office of Attorney General for the Fire Marshal to complete its duties as provided for in this bill.

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