

Introduced by

1 A BILL for an Act to create and enact section 54-03-25.1 of the North Dakota Century Code,  
2 relating to the preparation of dynamic fiscal notes.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** Section 54-03-25.1 of the North Dakota Century Code is created and enacted  
5 as follows:

6 **54-03-25.1. Dynamic fiscal impact statement on bills and amendments.**

7 1. The \_\_\_\_\_ shall prepare a dynamic fiscal impact statement for each legislative  
8 measure:

9 a. That raises or lowers the rate or amount of a tax or fee; and

10 b. For which a fiscal note is prepared indicating a positive or negative impact on  
11 revenues of at least \_\_\_\_\_ annually.

12 2. The dynamic fiscal impact statement must project, based on dynamic scoring  
13 principles, for the five-year period beginning on the proposed effective date of the  
14 change in the rate or amount of the tax or fee the estimated fiscal and economic  
15 impacts of raising or lowering the rate or amount of the tax or fee as proposed,  
16 including the impact on:

17 a. Tax or fee receipts; and

18 b. The costs of any specific program the tax or fee is designed to directly support.

19 3. For purposes of this section, "dynamic scoring principles" means a method of  
20 estimating the pace of economic growth or the change in the aggregate level of  
21 economic output and incomes, in response to a change in the rate or amount of a tax  
22 or fee, which takes into consideration factors including:

23 a. The direct impact on tax or fee receipts and, if the tax or fee is designed to  
24 directly support a specific program, on the program costs;

- 1            b. The effect on incentives to work, save, invest, and conduct economic affairs;
- 2            c. The resulting change in the overall level of economic activity;
- 3            d. The impact of the resulting higher or lower level of economic activity on tax or fee
- 4            receipts and, if the tax or fee is designed to directly support a specific program,
- 5            on program costs; and
- 6            e. A calculation of the net impact of the legislative measure proposing the change
- 7            on the unified budget.
- 8            4. The dynamic fiscal impact statement must be attached to the legislative measure
- 9            immediately following the fiscal note for the measure and must be submitted before
- 10           the measure is acted upon.
- 11           5. On the fifth anniversary of the effective date of a bill that becomes law for which a
- 12           dynamic fiscal impact statement was prepared under this section, the \_\_\_\_\_ shall
- 13           prepare a report that assesses the accuracy of the relevant fiscal note prepared for the
- 14           bill and the accuracy of the relevant dynamic fiscal impact statement prepared for the
- 15           bill and submit the report to the \_\_\_\_\_.

16           **NOTE:** This bill draft contains blanks that must be filled in before introduction.