

FISCAL NOTE
Requested by Legislative Council
12/21/2018

Bill/Resolution No.: SB 2085

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$85,000	\$0	\$0
Expenditures	\$0	\$0	\$0	\$5,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

Provides Job Service the authority to sell real property in Rolla. The vacant property previously housed a Job Service office which was closed in 2016.

- 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 provides the potential for fiscal impact. The fiscal impact would be the receipt of proceeds from the sale of the real property outlined within the section. For purposes of identifying the biennium in which proceeds would be received, it is assumed that the sale would occur in the 2019-2021 biennium. However, if the emergency clause in Section 2 was to be approved and a sale occurred quickly, the proceeds could be received in the 2017-2019 biennium. Additionally, because the sale is dependent upon the real estate market of the area, an extended delay in sale could result in receipt of the proceeds in the 2021-2023 biennium. The revenue and expenditure amounts noted are based upon an estimate of appraisal costs and the insured value of the property.

Job Service is almost exclusively federally funded. The property referred to in this bill was funded entirely by the Unemployment Insurance and Wagner-Peyser programs. Federal regulation requires that any sale proceeds be returned to the federal programs that funded the property acquisition. The funds will remain within North Dakota with Job Service, but must be used in the Unemployment Insurance and Wagner-Peyser 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.*

The revenue amount of \$85,000 is not based upon an official appraisal, instead it is based upon the insured value of the property. An official appraisal has not been completed because authority to sell the property has not been gained, there is a cost to completing the appraisal, and market fluctuations could result in the need for additional appraisals should a delay in identifying a purchaser occur. The property referred to in this bill was funded entirely via federal funds from the Unemployment Insurance and Wagner-Peyser programs. Federal regulation requires that any sale proceeds be returned to the federal programs funding the property acquisition. The funds will remain within North Dakota with Job Service, but must be used in the Unemployment Insurance and Wagner-Peyser 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 expenditure amount of \$5,000 is the estimated official appraisal costs. Federal regulations require that an appraisal be completed and that any property purchased with federal funds be sold at fair market value. The appraisal costs will be paid with federal funds. No FTE positions will be affected.

- 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.*

No appropriation is being requested in conjunction with this bill or property sale. While it is assumed that the sale would occur within the 2019-2021 biennium, the sale could actually occur in the current biennium or in the 2021-2023 biennium. Due to the uncertainty of federal funding the Job Service appropriation bill contains language that allows Job Service to expend federal funds received that are not specifically outlined within the original appropriation. Because the real property was acquired with federal funds, any proceeds from the sale that Job Service were to receive would be considered federal funds.

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