

FISCAL NOTE
Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1042

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

There should be no direct fiscal impact to state and/or local political subdivisions.

The major amendments to section 10.30.1-04 seek to:

(1) increase the percentage that a venture capital corporation or limited liability company can provide (of the stated capital) to any one qualified business entity (from twenty to twenty-five percent) and

(2) lowers the requirements for formation of a venture capital corporation or limited liability company (from five hundred thousand to two hundred and fifty thousand dollars).

These changes should make it easier to form and raise venture capital with which to invest in firms.

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.*

It is impossible to judge the economic contribution to state and local revenues (from the potential additional business formation) that these amendments will have.

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.*

There are no obvious additional expenditures evident by the amendments to 10-30.1-04. Perhaps the ND Securities Commission could comment on also.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

There are no additional appropriations that seem needed by the amendments to 10-30.1-04. Perhaps the ND Securities Commission could comment on also.

Name:	Randy Schwartz	Agency:	ND Dept of Economic Development & Finance
Phone Number:	701-328-5314	Date Prepared:	01/08/2001