

# FISCAL NOTE

Requested by Legislative Council  
01/15/2001

Bill/Resolution No.: HB 1251

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 |
| <b>Revenues</b>       |                    | \$0         | \$0                | \$0         | \$0                | \$0         |
| <b>Expenditures</b>   |                    | \$0         | \$0                | \$0         | \$0                | \$0         |
| <b>Appropriations</b> |                    | \$0         | \$0                | \$0         | \$0                | \$0         |

**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 |
| \$0                | \$0    | \$0              | \$0                | \$0    | \$0              | \$0                | \$0    | \$0              |

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

This bill will exempt from unemployment coverage all limited liability company managers whose companies do not treat themselves as a corporation for purposes of federal income taxation. Currently, approximately 360 unemployment insurance tax accounts are limited liability companies. Current law provides managers with 25% or more ownership opportunity to exempt themselves from coverage.

Data is not available to identify which of the 360 accounts treat themselves as corporations for purposes of federal income taxation; nor is there data available to identify which if any employees reported by these accounts are managers. Consequently, we are unable to determine fiscal impact on the State Unemployment Insurance Trust Fund from exempting all limited liability company managers except those whose company treat themselves as a corporation for federal income taxation.

There will be some reduction of income and benefit payments, which we cannot estimate.

**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.*

**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.*

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.*

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**Agency:** Job Service North Dakota  
**Date** 01/19/2001  
**Prepared:**