

FISCAL NOTE

Requested by Legislative Council
01/27/2009

Bill/Resolution No.: SB 2406

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				\$19,500		\$19,500
Expenditures				\$8,913,000		\$8,913,000
Appropriations						

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).*

BND to provide \$1,000 grant from Tobacco Prevention and Advisory Committee to a ND resident parent who contributes \$500 to any IRS 529 savings plan in the nation and signs agreement to ensure their child, born after Aug. 1, 2009 does not illegally purchase, possess, smoke, etc...tobacco in any form.

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.*

Vital Statistics on North Dakota resident births as provided by the North Dakota Department of Health show an average of 8,063 births per year over the past 10 years. The latest figures are from the year 2007 in which the actual number of births was 8,818. The Fiscal impact per legislation to the Tobacco Prevention and Advisory Committee during the 2009-2011 biennium is \$8,818,000 at 50 percent of eligible participants taking advantage of the opportunity (4,409 accts times \$1,000 times two years). If all 8,818 grants per biennium were placed with North Dakota's 529 College Savings Plan, College SAVE, and included the original \$500 to qualify for the matching grant, BND would receive approximately \$19,500 in administrative fees for the biennium.

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.*

Out of .85 basis points per \$1,000 in assets in a College SAVE account, BND receives .10 basis points for plan administration.

In a scenario where 50 percent of new resident births would account for matching grants to any 529 college savings plan in the nation, BND would receive administrative fees of \$19,500 per biennium if all 8,818 grants were placed with North Dakota's 529 College Savings Plan, College SAVE, and included the original \$500 to qualify for the matching grant.

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.*

Eligible recipients per biennium total 17,636 according to year 2007 vital statistics provided by the North Dakota Department of Health. Based upon 50 percent of this statistic, or 8,818 eligible participants, BND would be responsible for administrative and marketing functions at an estimated cost of \$95,000 a biennium which includes a 1/2 time FTE position.

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.*

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