

FISCAL NOTE
Requested by Legislative Council
02/17/2011

Amendment to: SB 2059

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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).*

This bill creates a technology impact zone program. The program would allow a local government to qualify for reimbursement of sales tax dollars to be used for technology-based economic development efforts.

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.*

This bill creates a technology impact zone program under which an applicant city or county, or group of cities and counties, may apply to the Department of Commerce to be designated as a technology impact zone. Each designated zone would receive semiannual distributions of sales and use taxes attributed to that zone to be used to support regional technology-based economic development initiatives.

An exact fiscal impact cannot be determined because it is unknown how many local governments will apply for and receive designation as a technology impact zone and how much sales tax revenue will be attributed to each designated zone in a given biennium. The bill limits the number of zones to eight zones and has a lifetime cap of \$3,000,000 per zone. Thus, the overall fiscal impact over multiple bienniums would be limited to \$24,000,000.

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.*

None.

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 amount of state sales and use taxes attributed to a technology impact zone would be distributed to that zone, with a lifetime cap of \$3,000,000 per zone. With a limit of eight zones statewide, the total possible state expenditures over multiple bienniums would be \$24,000,000.

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.

The amounts necessary to make distribution payments are appropriated to the state treasurer as a standing and continuing appropriation out of sales and use taxes deposited in the general fund.

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