

FISCAL NOTE
Requested by Legislative Council
01/10/2013

Revised
 Bill/Resolution No.: HB 1145

- 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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(8,466,386)	\$8,466,386	\$(10,613,480)	\$10,613,480
Expenditures				\$2,955,466		\$8,420,131
Appropriations				\$(6,870,000)		\$(6,870,000)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

The bill creates a continuing appropriation for the disbursement of funds to the fire districts and increases the amount disbursed to the fire districts and North Dakota Firefighter's Association by removing the specified cap amount.

- 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 amends Section 18-04-04.1 and establishes a new continuing appropriation fund for the distribution of money to the fire districts and North Dakota Firefighters Association. The bill removes the specified cap amount and creates an open-ended authority to be available for distribution to the fire districts. Currently, any funds remaining in the special fund after the distribution of \$3,435,000 are transferred to the general fund at the end of the fiscal year. With a continuing appropriation, the funds will remain in the special fund and available for distribution. Section 2 increases the grant amount to the North Dakota Firefighter's Association. The grant will be deducted from the continuing appropriation funds available to the fire districts prior to payment. Section 3 will create a new special fund within the state for emergency medical services insurance tax distribution. The fund will be for the purpose of collecting and distributing the legislative appropriated funds. Section 5 amends Section 26.1-03-17. The amendment outlines the additional revenue to be deposited into the new continuing appropriation fund. The revenue will be computed based on 100% of the premium tax collected on fire, allied lines, homeowner's multiple peril, farmowner's multiple peril and commercial multiple peril policies. The increase in revenue to the special fund decreases the state's general fund transfer. The bill will positively impact the various fire district political subdivisions. The fire districts will receive an increase in their revenue in direct proportion to the state's special fund revenue & expenditures. The specific amount to be allocated to the cities & counties was undetermined at this time.

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 is impacted by the elimination of an appropriated limit on the grant amounts distributed to the fire districts. The amendment to Section 26.1-03-17 creates a decrease in the general fund revenue that represents the

projected amount of premium tax attributable to these lines. The five lines of premium tax were calculated based on historical data and increasing the revenue amount accordingly. General Fund Revenue: Current Bill Amended Bill 2013-2015 \$81,819,362 \$73,352,976 2015-2017 \$81,880,000 \$71,266,520 Special Fund Revenue: Current Bill Amended Bill 2013-2015 \$ 6,870,000 \$15,336,386 2015-2017 \$ 6,870,000 \$17,483,480

- 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 agency will experience a decrease in its appropriated fund expenditures by the current grant of \$6,870,000 because of the change to a continuing appropriation. The decrease in the agency's special fund plus the continuing appropriation expenditures nets to an overall increase in special fund expenditures. The total amount paid out to the fire districts and the North Dakota Firefighter's Association will equate to 1/2 of the available balance in the fund at the time of distribution. Currently the amount is capped at \$6.2 million to the fire districts and \$670,000 to the Association. The expenditures to the Association will increase by \$130,000 for each biennium and the fire districts will increase as the balance of the fund increases. The fire districts will be receiving only a portion of the 5 lines of taxes deposited in to the fund each year. Any additional work required by the agency will be absorbed using existing resources.

- 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 agency's appropriation will decrease by the current appropriated grant amount for disbursement to the fire districts and the North Dakota Firefighter's Association. No additional appropriations will be needed by the agency. The new fund will be a continuing appropriation and therefore not part of an agency's appropriation.

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