

FISCAL NOTE
Requested by Legislative Council
01/18/2013

Revised
Amendment to: HB 1065

- 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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 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	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

Section 7 of the bill is unlikely to have any significant fiscal impact on the operations of OAH. See 2B

- 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 6. The Director of the Office of Administrative Hearings is to replace district judges regarding duties for appointing arbitrators under this section. According to information received from the Supreme Court, it is likely that this section has not been used in the past; at least no one is aware that it has. Thus, it is unlikely that it will be used in the future, though it is certainly possible. Accordingly, the fiscal impact is likely to be zero, or at most minimal. However, if the section would be used, i.e. if the officers of a township and of a municipality which has been organized from the territory of a township cannot agree upon the valuation of property and they believe arbitration is necessary, as amended the bill requires that the township and municipality involved will share equally in the costs and expenses of the arbitration. If the section is used, and it is assumed that the total time expended for services by the director is 2 hours and the total time expended for services by the three arbitrators is 15 hours (total for the three - 5 hours each), without considering the arbitrators expenses and any expenses there may be for an independent appraisal, if necessary, the costs for the arbitration would be approximately \$2,300.00. The hourly costs for the director and the arbitrators were determined using the current OAH billable rate for its ALJ services (\$135.00/hour). Of course, because this section may never have been used before, and there is no information regarding historical costs, this is a rather speculative analysis. Expenses and the cost of an independent appraisal of real estate could raise this amount significantly, as could additional time spent on the arbitration. Both the time spent and the expenses of the arbitration would likely depend upon the quantity and the type of the property in dispute.

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, 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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