

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/12/2015**

Bill/Resolution No.: HB 1200

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>			\$100,000			

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

HB 1200 requires the state treasurer to establish and administer a state-run deferred compensation retirement program for private businesses with 100 or fewer employees that do not offer their employees a retirement plan.

- 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.*

HB 1200 requires the state treasurer to establish and administer a state-run deferred compensation retirement program that private businesses with 100 or fewer employees and no retirement plan may elect to participate in. The program must comply with federal income tax law so that any compensation deferred by a participating employee is tax deferred for federal income tax purposes. Any compensation deferred from federal income tax is automatically deferred for North Dakota income tax purposes. Distributions from the plan to an employee that are included in federal taxable income may be deducted in computing North Dakota taxable income.

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 income tax exemption provisions of the bill may potentially reduce state general fund revenues for the 2015-17 biennium assuming that the program can be made operational and there is participation by employers and employees during the biennium. The amount of the reduction, if any, cannot be determined.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 3 of HB 1200 contains an appropriation of \$100,000 to the State Treasurer for costs associated with designing and implementing this retirement program.

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