

FISCAL NOTE
Requested by Legislative Council
01/23/2017

Bill/Resolution No.: SB 2330

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(228,000)	\$(22,000)		
Expenditures						
Appropriations						

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 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).*

SB 2330 creates a sales tax exemption for materials and equipment used on a licensed dairy farm.

- 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.*

If enacted, SB 2330 will create a sales and use tax exemption for materials and equipment used in the construction of dairy farms as well as expansions of existing dairy farms. There are currently 84 dairy producers in the state that may qualify for this exemption if they upgrade equipment or utilize qualifying materials. Any new operations that may be started would be able to purchase and install their equipment tax free which may result in a savings of up to \$100,000 each, for large scale new dairy operations. Assuming there are two new large scale dairy operations, and a few upgrades to existing operations, SB 2330, if enacted, may result in a reduction in state general fund and state aid distribution fund revenues of up to \$250,000 in the 2017-19 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.*

- 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.*

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