

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Revised
 Bill/Resolution No.: SB 2106

- 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 | \$0 | \$0 | \$0 | \$638,000 | \$0 | \$645,000 |
| Expenditures | \$0 | \$0 | \$(638,000) | \$638,000 | \$(645,000) | \$645,000 |
| Appropriations | \$0 | \$0 | \$(638,000) | \$638,000 | \$(645,000) | \$645,000 |

- 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 | \$0 | \$533,000 | \$539,000 |
| Cities | \$0 | \$105,000 | \$106,000 |
| 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).*

SB 2106 changes the fee structure for LETS services provided by State Radio from population based fees to actual costs incurred by State Radio where county and city law enforcement would pay a fee based on fifty percent of actual costs.

- 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 3. eliminates the current fee system utilized by State Radio which is based upon population. Changes to Section 3. would require county and city law enforcement that utilize LETS to pay fees based upon fifty percent of actual costs by State Radio to provide LETS services. The net effect would be an increased cost to cities and counties of \$638,000 for the 2017-19 biennium. This would also decrease the requirement of general funds by \$638,000.

The anticipated increase of generated fees is based on current terminals in use. This amount could significantly decrease if terminals are eliminated due to the proposed cost increase to counties and cities.

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.*

SB 2106 changes would increase LETS fees by \$638,000 per biennium. Utilizing current law, LETS fee projections are estimated at \$776,000 for the 2017-19 biennium. Proposed changes would increase fees to approximately \$1,414,000 per biennium in the state radio fund, a net increase of \$638,000. Subsequently, general funds appropriations would be reduced by \$638,000.

Again, this is based on current usage. If terminals are eliminated due to cost increases, revenues could be significantly reduced creating a budget shortfall for State Radio.

- 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.*

Overall expenditures are not affected, however the funding source would change. General fund expenditures would decrease by \$638,000 and state radio fund expenditures would increase by \$638,000.

No FTE's would be 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.*

The proposed changes would decrease general fund appropriations by \$638,000 and increase state radio fund appropriations by \$638,000.

Appropriations are included in the executive budget, however, funding sources would need to be changed in the budget from general funds to special funds (state radio fund 373).

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