

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/29/2019**

Amendment to: HB 1205

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

Engrossed HB 1205 extends the period of time available for utilization of the current sales and use tax exemption for construction of a fertilizer or chemical processing plant. Additionally, the engrossed bill creates a new sales tax exemption for qualified straddle plants and fractionators.

- 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 of engrossed HB 1205 extends the availability of the current sales and use tax exemption for materials used to construct a fertilizer or chemical processing plant to June 30, 2023, provided an air quality permit is properly completed.

Sections 2 and 3 of engrossed HB 1205 create a new sales and use tax exemption for materials used to construct a qualified straddle plant or a qualified fractionator.

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 State Tax and State Health departments are not aware of any pending projects that may utilize this extended existing exemption contained in Section 1.

The new exemption created in Sections 2 and 3 is likely to reduce state general fund and state aid distribution fund revenues in the 2019-21 biennium, but there is no information available about the potential use of this new exemption. The fiscal impact 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.*

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