

FISCAL NOTE
Requested by Legislative Council
01/18/2021

Amendment to: HB 1057

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$75,003		\$275,000
Appropriations						

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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).*

This bill increases the statutory caps for liability of political subdivisions and the State. The proposed increases will have an actuarial impact on required contributions and premiums.

- 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.*

Increasing the statutory caps will increase both indemnity and defense costs associated with claims against state entities and political subdivisions.

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.*

An actuarial analysis of the Risk Management Fund determined that the proposed increases to the statutory caps will result in an estimated \$150,006 additional funding need for the 2021-2023 biennium. An estimated \$300,000 additional funding was required at a \$500,000 per person statutory cap. Additional funding for the Risk Management Fund is paid through required contributions made by state entities. It is unknown what the fiscal impact may be to political subdivisions and the North Dakota Insurance Reserve Fund.

- 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.*

Expenditures for claims and defense costs are subject to a continuing appropriation.

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Date Prepared: 12/30/2020