(Return in triplicate) FISCAL NOTE FEB 8 1983

Bill/Resolution No.: 1646 Amendment to: _____

Requested by: Legislative Council Date of Receipt: _____

Please estimate the fiscal impact of the above measure for:

[X] State general or special funds [ ] Counties [ ] Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: House Bill 1646 as presented to this office would amend, reenact and repeal subsections of the Milk Stabilization Law that gives the Board the authority to establish wholesale and retail prices, stabilization plans, volume discounts and regulate who may distribute milk products. If HB 1646 passed as presented to this office it would presumably reduce the number of hearings the Board would hold, the mailings involved in changing wholesale and retail prices, stabilization plans and volume discounts and investigations on complaints on violations of wholesale and retail pricing.

During the past two years(81-83 biennium) this office has had little activity in this area and thus the fiscal effect on our budget would be very minor, it is estimated that it could reduce our expenditures by about $8,041.42 per biennium. On the other hand, if we review the two year period previous to the last two years (79-81 biennium) there was a bit more activity involved in public hearings and mailings and if we use this level of activity to estimate for the 83-85 biennium, it is estimated that it could possibly reduce our expenditures by about $13,239.32 per biennium.

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State Fiscal Effect:

	1983-84 Special Funds	1983-84 General Fund	1984-85 Special Funds	1984-85 General Fund	Biennium Total Special Funds	Biennium Total General Fund	
Hi	$6,619.66		$6,619.66		$13,239.32		(79-81 biennium)
Lo	$4,020.71		$4,020.71		$ 8,041.42		(81-83 biennium)
Avg	$5,320.19		$5,320.19		$10,640.37		Avg. reduction

County and City Fiscal Effect:

1983-84 Counties	1983-84 Cities	1984-85 Counties	1984-85 Cities	Biennium Total Counties	Biennium Total Cities

(see page 2)

If additional space is needed, attach a supplemental sheet.

Signed John E. Weisgerber

Typed Name John E. Weisgerber

Date prepared: February 1, 1983

Department Milk Stabilization Board

Very little could be saved in the way of direct salaries, other than that involved in the preparation amd mailing of stabilization plans which is included above, because general compliance to minimum wholesale and retail pricing is accomplished by the industry, economic factors and by the consuming public. We have already reduced our staff by 1.4 positions over the last several years with the majority of time now spent on producer payment audits.

It should be pointed out that there could be a county and city fiscal effect that we cannot compute. There are about 65 locations now in this state that distribute milk products, 53 of which are local independent distributors. If these distributors are put out of business because they cannot make a proper margin on their wholesale and retail milk sales or if warehousing of milk puts them out of business, it could put people out of work and also those dairy farmers would not have a market to sell to.

One example of this is the creamery in Bottineau. If they were to close because of the effects of HB 1646, it could put approximately 21 persons out of work with a payroll of about $400,000. Also, approximately 79 milk and cream producers would be without a market with a gross payroll of about 3 million dollars. This loss of jobs, producers and payroll dollars would surely have a bad fiscal effect on the counties and cities if some of or most of the 53 distributors were closed because of HB 1646.