

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: SB 2393 Amendment to:

Requested by: 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:

There is no impact on the state general fund. The special assessment levied by this legislation would apply only to unemployment contributions of tax-rated employers. State government employers are reimbursable employers.

We project that for the first year of the biennium, \$4,113,000 will be collected from the special levy on tax-rated employers and deposited to the special finance fund, while \$6,216,000 is projected to be collected for the second year of the biennium. The lesser amount of collections in the first year reflects the January 1, 1990, effective date of this legislation. These projections are based on the current year, 1989, average tax rate of 2.4 percent. It is anticipated that rate will decrease during the next biennium. It should be noted that there will be no net increase in collections from employers resulting from this legislation. This will be accomplished by decreasing the basic tax rate by an amount sufficient to offset the 20 percent special assessment levy created by this legislation. The net impact of this legislation then would be to not increase tax collections during the next biennium, but rather to redirect where the collections are deposited. Currently, all collections are deposited and maintained in the Federal Unemployment

State Fiscal Effect:

Table with 6 columns: 1989-90 General Fund, 1989-90 Special Funds, 1990-91 General Fund, 1990-91 Special Funds, Biennium Total General Fund, Biennium Total Special Funds. Values: 0, 92,432, 0, 285,135, 0, 377,567

County and City Fiscal Effect:

Table with 6 columns: 1989-90 Counties, 1989-90 Cities, 1990-91 Counties, 1990-91 Cities, Biennium Total Counties, Biennium Total Cities

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem

Typed Name Wayne G. Kindem

Date Prepared: 1-20-89

Department Job Service North Dakota

SB 2393
Narrative contd

Trust Fund at the United States Treasury. This legislation would direct that the collections due to the special assessment levy be deposited in the special finance fund to be maintained at the state Bank of North Dakota.

Of the amount deposited in the special finance fund, \$377,567 is projected to be expended from the fund during the biennium; \$2,785 for administration of the fund; and \$374,782 for financing Job Service offices in incorporated cities with less than 5,000 population. These expenditures equal the appropriation request associated with this legislation as follows:

Salaries and wages	\$228,501
Operating Expenses	108,542
Equipment	<u>40,524</u>
Total	\$377,567