

**REVISED
FISCAL NOTE**

(Return original and 10 copies)

Bill/Resolution No: _____

Amendment To: Senate Bill 2096

Requested by Legislative Council

Date of Requested: 1-25-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities and school districts.

Narrative: The amendment to Senate Bill 2096 does not have a fiscal impact. The amendment allows for a reimbursing option under the North Dakota New Jobs Training Program which was the intent of the original bill. Job Service North Dakota is providing a revised Fiscal Note to clarify General Fund Impact contained in the original Fiscal Note. The revision is due to having put the General Fund impact into the first and second biennium rather than prorating the General Fund impact over the life of each project. (See Attached)

2. State fiscal effect in dollar amounts:

	1997-1999 Biennium		1999-2001 Biennium		2001-2003 Biennium	
	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
Revenues:	0	0	\$65,520	0	\$152,880	0
Expenditures:	0	0	0	0	0	0

3. What, if any, is the effect of this measure on the appropriation for your agency of department.

- a. For rest of 1997-99 biennium: 0
 b. For the 1999-2001 biennium: 0
 c. For the 2001-03 biennium: 0

4. County, City and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

NO EFFECT

NO EFFECT

NO EFFECT

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem

Typed Name WAYNE G. KINDEM

Department JOB SERVICE NORTH DAKOTA

Date Prepared: 1-26-99

Phone Number 328-3033

The enactment of this bill will provide for a self-finance option under the North Dakota New Jobs Training Program. Employers electing the self-finance option may be reimbursed an amount up to 60% of the allowable state income tax withholding generated from the new job positions created and identified in a final agreement. Currently 100% of the allowable state income tax withholding goes to cover the cost of principal and interest on loans or repayable grants obtained by the employer to cover start-up training costs. Under this bill, 40% of the allowable state income tax withholding would go into the general fund. Assuming the creation of 1000 permanent full-time new jobs at the beginning of the biennium, paying a wage of \$7.50 per hour plus benefits within the first year of employment, a total of \$546,000 in allowable state income tax withholding would be generated over the ten year life of the project. The state fund would get \$218,000 while qualified employers would receive \$327,000 of this amount over the life of the project. Using the assumption that 1000 new jobs would be created and covered under a cost reimbursement option each year and that the total projected state income tax withholding would be generated equally over the 40 quarters of each project. The General Fund impact would increase each year as the number of projects increase:

	1999-2001	Biennium	\$65,520
2001-03	Biennium	\$152,880	
2003-05	Biennium	\$240,240	
2005-07	Biennium	\$327,600	
2007-09	Biennium	\$414,960	
All Following	Bienniums	\$436,800	