

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/18/2013**

Bill/Resolution No.: HB 1353

- 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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 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).*

HB 1353 expands the existing energy device income tax credit law to allow individuals a credit for installing a wind device, and lowers the size requirement of a wind turbine for the existing sales tax exemption for power plant construction.

- 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.*

Sections 1 and 2 of the bill change existing law allowing an income tax credit for installing a biomass, geothermal, solar, and wind energy device in North Dakota on property owned or leased by the taxpayer. In the case of an individual, current law only allows the credit for a geothermal energy device. The bill will expand the law to allow the credit for a wind energy device, included the share received from a passthrough entity such as a partnership. It is presumed that this change relates to the installation of residential-size (or small) wind energy devices. Section 3 of the bill expands a sales tax exemption for certain wind-powered electrical generating facilities to include smaller units, those with a capacity of twenty kilowatts or more. If enacted, HB 1353 will reduce state general fund and state aid distribution fund revenues for the 2013-15 biennium, the amount of which cannot be determined. An estimate of the reduction is not possible because the extent of any sales of the devices cannot be determined. Also, the costs of acquisition and installation are dependent on manufacturer, size or energy-production capacity, location and zoning, and method of installation. And information on commercial installations by passthrough entities and the extent of any earned credits passed through to individual owners is an unknown.

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.*
- 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 is also included in the executive budget or relates to a continuing appropriation.*

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