

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/15/2013**

Amendment to: SB 2295

- 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).*

Engrossed SB 2295 will allow a farmers' cooperative that is granted a new or expanding business income exemption to pass the exemption through to its patrons.

- 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.*

If a farmers' cooperative qualifies for the new or expanding business income exemption under N.D.C.C. chapter 40-57.1, but is unable to make use of it, Engrossed SB 2295 will allow the cooperative to pass the exemption to its patrons. The patrons use their share of the exemption to reduce the income they receive from the cooperative that is attributable to the exempt project. Available information indicates that there may be qualifying activity that would result in a decrease in state general fund revenue for the 2013-2015 biennium. The amount of that decrease cannot be determined because the number of existing or new cooperatives that may engage in qualifying activity and the potential amount of exempt income are 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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