

FISCAL NOTE
Requested by Legislative Council
04/16/2015

Amendment to: HB 1229

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$137,100	\$0	\$1,500	\$0	\$0
Expenditures	\$0	\$2,000	\$0	\$136,600	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

This bill would replace the NDSEB's current undertaking fund with a \$35,000 bond that an electrical contractor would provide.

The amendment to HB 1229 would repeal 43-09-14 Master electrician and class B undertaking fund.

- 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.*

Currently the NDSEB receives from a master electrician engaging in electrical contracting a one time fee of \$50 (which may be required again if the fund is depleted) be paid into the current undertaking fund. The current undertaking fund presently allows a maximum of \$5,000 per contractor to be used to help consumers finish electrical work abandoned by an electrical contractor. In current situations, \$5,000 is not enough to complete abandoned electrical work and consumers are left to absorb the extra costs. The contractor provided \$35,000 bond would have a means and more insurability that the consumer would have a direct method to recoup costs through the bond provider. This would ensure that any safety/code violations would be corrected to curtail any potential dangerous electrical situations.

The amendment would allow the ND State Electrical Board to create a fund and spend up to \$25,000 per rogue contractor and take away any consumer protection 43-09-14 provided by repealing it. The bill also connects the company/owner to a contracting electrician. After July 1, of 2016, the NDSEB shall spend the remaining balance of the fund to inform or educate electricians. The fund would be depleted by August 1, 2017. After August 1, 2017, property owners will be responsible to absorb any costs for electrical code violations/corrections left behind by a rogue electrical contractor.

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.*

As was explained in 2B above a new electrical contractor pays a fee of \$50 when they engage in electrical contracting and may be required to pay an additional \$50 per year but to date this has not been required.

The amendments - explained in notes above

- 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.*

The expenditures listed are amounts used to finish electrical work abandoned by electrical contractors. The ND State Electrical Board is presently addressing two situations that are estimated to exceed the \$5,000 allowed per case so the consumer will be responsible for the excess. There are several other cases that this office anticipates will fall within the same scenario.

The amendments - explained in notes above

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

N/A

The amendments had no changes to this section

Name: James Schmidt

Agency: North Dakota State Electrical Board

Telephone: 701-328-9522

Date Prepared: 04/17/2015