

FISCAL NOTE
Requested by Legislative Council
03/27/2019

Amendment to: Engrossed HB 1205

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 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.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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 HB 1205 with Senate Amendments extends the period of time available to use the current sales and use tax exemption for a fertilizer or chemical processing plant. Additionally, the engrossed bill creates a new sales tax exemption for qualified straddle plants and fractionators.

- 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.*

Section 1 and 2 of engrossed HB 1205 with Senate Amendments extends the availability of the current sales and use tax exemption for materials used to construct a fertilizer or chemical processing plant to June 30, 2023, provided an air quality permit is properly completed.

Sections 3 and 4 of engrossed HB 1205 with Senate Amendments creates a new sales and use tax exemption for materials used to construct a qualified straddle plant or a qualified fractionator, and the associated infrastructure.

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.*

The State Tax and State Health departments are not aware of any pending projects that may utilize this extended existing exemption contained in Section 1 and 2.

The new exemption created in Sections 3 and 4 is likely to reduce state general fund and state aid distribution fund revenues in the 2019-21 biennium, but there is no information available about the potential use of this new exemption. The fiscal impact cannot be determined.

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

Name: Kathryn Strombeck

Agency: Office of Tax Commissioner

Telephone: 701.328.3402

Date Prepared: 03/28/2019