

# Legislative Drafting Seminar: Preparation of Fiscal Notes

October 1, 2024  
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# House and Senate Legislative Manual

## Joint Rules 501 and 502

Joint Rule 501 provides, except for a measure appropriating a specific dollar amount, every bill or resolution having an effect of \$10,000 or more on the revenues, expenditures, or fiscal liability of the state must have a fiscal note describing that effect.

Joint Rule 501 also requires fiscal notes be completed for amendments to bills and resolutions when the changes adopted by the committee are expected to generate a fiscal impact of \$10,000 or more.

Joint Rule 502 provides every bill or resolution introduced into either house of the Legislative Assembly which mandates changes in the revenues, expenditures, or fiscal liability of counties, cities, or school districts must have a fiscal note reflecting the statewide impact of the bill or resolution on counties, cities, or school districts.

Fiscal notes must identify the impact on revenues, expenditures, and appropriations for the current, upcoming, and the following bienniums.

# Fiscal Notes - Agency Responsibility

Agencies are expected to complete the fiscal note to the best of their ability.

If specific information regarding the fiscal impact is known, that amount should be shown.

If specific information is not known, the agency should estimate the impact or include a range of the possible impact.

If the agency is unable to obtain information or provide a reasonable estimate or range, the agency may indicate the fiscal impact is undeterminable.

# Pre-session Registration



The Legislative Council coordinates the fiscal note process. To facilitate requests, in October of even-numbered years, agency contacts of record from the prior legislative session will receive an email from Legislative Council with a letter asking authorized individuals to update agency contacts and contact roles on file with Legislative Council for the next legislative session.



The email will include a list of the contacts and their roles from the prior session and a fillable form to notify Legislative Council of any changes. Agencies may either email Legislative Council to indicate there are no changes to the contacts or roles listed or complete the form to add new contacts or change contact roles.

# Agency Contact Roles



Agency roles include:

**Primary recipient** - May complete and submit a fiscal note.

**Secondary recipient** - May complete and submit a fiscal note.

**Editor** - May complete a fiscal note but **may not submit** a fiscal note.

# Legislative Council Review

- Legislative Council staff review each bill and resolution introduced after assignment to a committee.
- Staff review bills and resolutions to determine if there is a potential fiscal impact on either revenues or expenditures. If a bill or resolution is determined to have a potential impact, a fiscal note request is sent via a link in an email to the agency's primary and secondary recipients for completion.
- In addition, a fiscal note may be requested by the chairman of the committee to which the bill has been assigned; however, the fiscal note request still must be emailed by Legislative Council staff.



# Fiscal Notes on Bills

Only one fiscal note may be prepared for each version of a bill or resolution.

If a bill or resolution is anticipated to have an impact on multiple agencies, the fiscal note request will be sent to the agency determined to have primary responsibility for compiling and maintaining the necessary information.

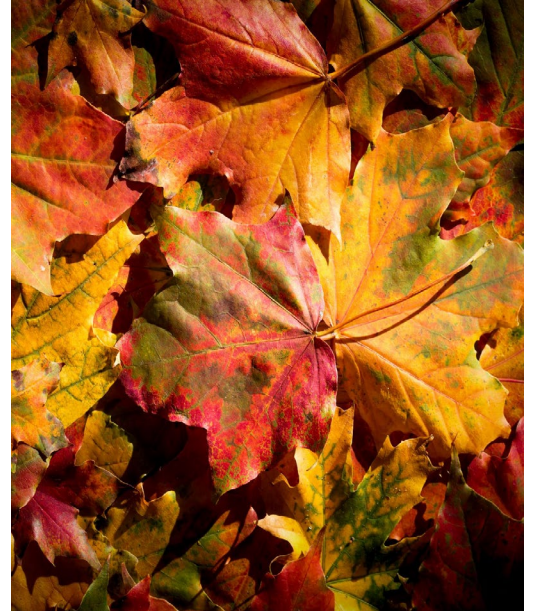
Please ensure your response reflects the complete fiscal effect, with consideration of all aspects of the bill and “other” agencies that may be affected.

The Legislative Assembly expects “other” agencies will cooperate promptly to provide information to the agency having primary responsibility to complete the fiscal note.



# Fiscal Notes on Bills with Amendments

- Fiscal notes for the effect of amendments on bills can not be requested until after the amendments have been adopted and reported by the committee.
- An agency should follow legislation for which the agency has been requested to prepare fiscal notes and be prepared to respond to requests for amended fiscal notes on short notice. An agency should begin preparing information if it is aware a committee is considering making changes to a measure for which an agency is responsible for providing fiscal information.
- There may be times when committee members may discuss an amendment and want to know the fiscal impact before adopting an amendment. Agencies should be prepared to testify before the committee regarding the impact of the amendments. If requested by a committee chairman, agencies may provide written information or a memorandum on the fiscal impact of proposed amendments prior to the committee adopting the amendments, but the official fiscal note will not be requested until the amendments are adopted and reported out of committee.





# Fiscal Note Completion

## Fiscal Note

### 1 - 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.

	2021-2023		2023-2025		2025-2027	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Expenditures	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Appropriations	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### 2 - COUNTY, CITY, SCHOOL DISTRICT, AND TOWNSHIP FISCAL EFFECT

IDENTIFY THE FISCAL EFFECT ON THE APPROPRIATE POLITICAL SUBDIVISION.

	2021-2023	2023-2025	2025-2027
Counties	<input type="text"/>	<input type="text"/>	<input type="text"/>
Cities	<input type="text"/>	<input type="text"/>	<input type="text"/>
School Districts	<input type="text"/>	<input type="text"/>	<input type="text"/>
Townships	<input type="text"/>	<input type="text"/>	<input type="text"/>

Fiscal notes are prepared electronically by clicking on the link provided in the email request. After logging into the application, a tabbed interface lists an agency's fiscal notes based on the status of the fiscal note. Tabs include Requested, Overdue, Ready to Submit, Submitted, and Accepted. All new fiscal note requests will appear in either the Requested or the Overdue tab based on the date/time of the request.

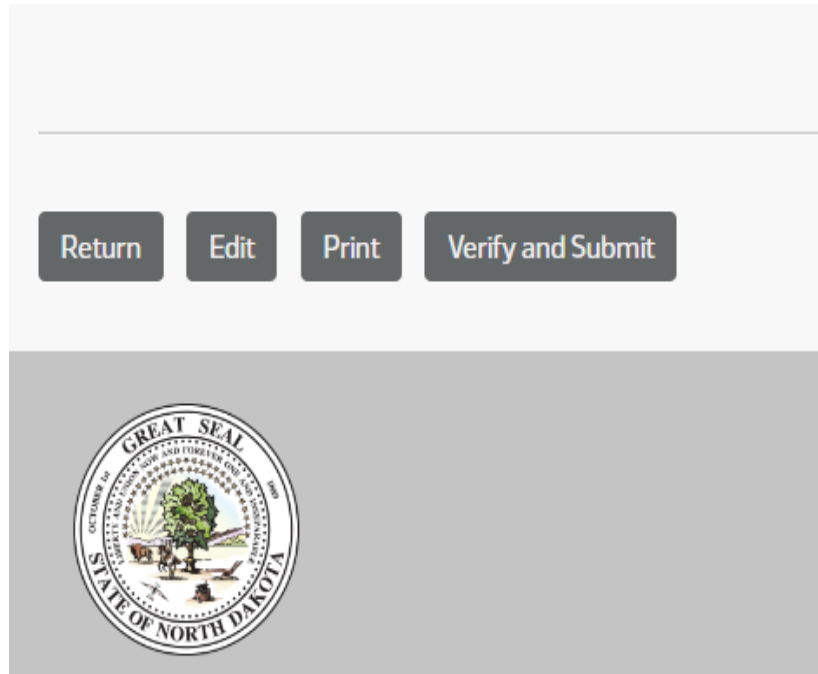
The fiscal note may be edited or assigned. An agency should specify whether a special fund or the state, county, city, or school district general fund is affected. Agencies may upload and attach documents to the fiscal note as needed to provide additional information.

Negative numbers should be shown in parentheses and positive numbers without parentheses. A positive number should be used to show added costs or increased revenue and a negative number should be used to show cost-savings or decreased revenue.

**The fiscal impact always should compare the provisions of the bill or resolution to current law, without regard to other bills or recommendations under consideration, including the executive budget.**

Before clicking on the "Ready to Submit" button on the bottom of the fiscal note, please complete the information regarding name, agency, telephone, and date at the bottom of the form. If a fiscal note is revised, the date always should be updated. When the "Ready to Submit" button is clicked, the fiscal note will transition to the Ready to Submit tab.

# Fiscal Note Submission

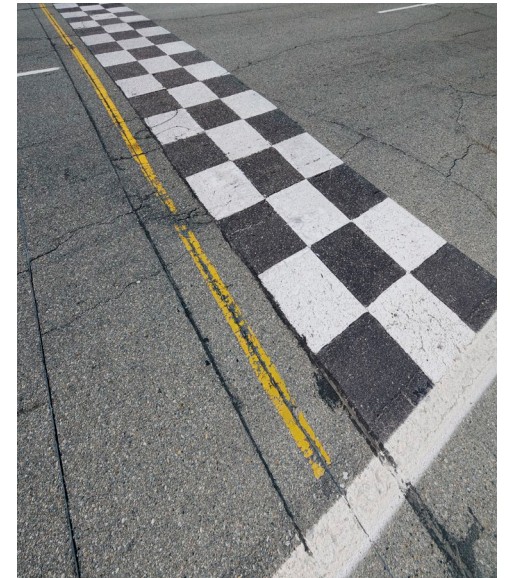


The fiscal note may be reviewed and edited on the Ready to Submit tab. When the review is complete, the reviewer should click on the "Verify and Submit" button at the bottom of the form. After clicking on the "Verify and Submit" button, the "Submit" button will appear and must also be clicked to complete the submission process and transition the fiscal note to the Submitted tab. These additional opportunities for review prior to submitting the fiscal note are provided for agencies using editors and primary and secondary reviewers to complete fiscal notes.

Once the fiscal note has been submitted, Legislative Council staff will review and accept the fiscal note. Agency contacts will receive an email when the fiscal note has been accepted by Legislative Council and the document will transition to the Accepted tab.

# Fiscal Note Acceptance

- The completed fiscal note may be viewed at the link in the Legislative Council email or on the Accepted tab. Keep in mind, it takes approximately 5 minutes for the email link to work.
- If an acceptance email is not received, please verify the submission process was completed, and the fiscal note was transitioned to the Submitted tab. If the fiscal note was properly submitted and an email is not received, please follow up with Legislative Council.
- If, after a fiscal note is submitted, an error is identified, please contact Legislative Council to have the request resent for correction. A fiscal note may not be revised to reflect the effect of a potential amendment, so please ensure a revision request is for an error relating to the current version of the bill and not for a possible amendment.



# Fiscal Note Deadlines



## Pursuant to Joint Rule 501:

- The agency or department preparing the fiscal note for a **bill or resolution** as introduced must complete and return the fiscal note to the Legislative Council not later than **5 days** from the date of the request.
- The agency or department preparing the fiscal note for an **amended bill or resolution** must complete and return the fiscal note to the Legislative Council not later than **1 day** from the date of the request. The fiscal note must be made available before the bill is heard on the floor.

# Fiscal Note vs Agency Appropriation



A fiscal note is for only informational use and **does not** affect an agency's appropriation.



All appropriation bills of \$50,000 or more and bills with a fiscal impact of \$200,000 or more on expenditures must be referred to the appropriations committees. (House and Senate Rule 329)



Revenue impacts do not need to be rereferred.

# Fiscal Impact Report

## SESSION STATUS REPORTS

### Budget Tracking - Summaries

State Budget Highlights

State Budget Summary

Fiscal Impact Report

Legislative Council staff tracks all bills with an appropriation and/or a fiscal impact.

A fiscal impact report, which is a summary of all the bills introduced deemed to have a fiscal impact of \$100,000 or more for revenues and \$100,000 or more for expenditures, is generated weekly during the session and posted on our website.

# Fiscal Note Contacts



Questions regarding the fiscal note system or fiscal note requests may be directed to Legislative Council fiscal staff.



Questions regarding login and fiscal note system access may be directed to Legislative Council IT staff.



Please call 701-328-2916 or email [lcouncil@ndlegis.gov](mailto:lcouncil@ndlegis.gov) to be directed to the appropriate staff member.

# Any Questions?

