

FISCAL NOTE

Requested by Legislative Council
03/21/2003

Amendment to: HB 1486

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill as amended maintains the current per bushel levy of the North Dakota Wheat Commission (NDWC) on all wheat sold in the state at 10 mills per bushel and generates no new revenues. All funds are special funds and are non-appropriated. The NDWC mill levy, which is assessed at the first point of sale, is the Commission's only source of funding, and is used to support the NDWC mission, which is, in short, to aid in the orderly marketing of North Dakota wheat by expanding markets through promotion, education and research. Commonly known as the wheat checkoff, the program at the current assessment level has the potential to generate \$5,420,000 in gross revenues per biennium, based on a 5-year average North Dakota wheat crop of 286 million bushels, less on-farm seed and feed use.

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.*

This bill as amended raises no new revenues. However, the proposed changes to the existing legislation provide in subsection five of Section 4-28-07, that The commission may use the amount raised by up to two mills of the levy provided for in this section for the purposes of providing market maintenance and development services, utilization research, transportation research, and education; addressing domestic policy issues; and engaging in other related activities; or for the purposes of contracting for market maintenance and development services, utilization research, transportation research, and education; addressing domestic policy issues; and engaging in other related activities, with no more than two trade associations that are incorporated in this state and which have as their primary purpose the representation of wheat producers.

The impact of the measure on producer refunds which currently average slightly less than 7 percent is unknown. Some potential for increased refund activity and resultant net revenue impacts (reductions) due to producer perceptions of an implied policy shift may be anticipated due to attention generated by the bill as it was introduced in its original form.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: ND Wheat Commission
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