

FISCAL NOTE

Requested by Legislative Council
01/28/2003

Bill/Resolution No.: SB 2348

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 legislation provides the Attorney General authority over the conversion of nonprofit healthcare facilities (i.e., hospitals and nursing homes) to for-profit or nonprofit corporations.

The parties to the proposed agreement or transaction must notify the Attorney General of the proposed agreement or transaction. The Attorney General must within 90 days notify the parties of the Attorney General's decision whether to consent to, give conditional consent to, or not consent to the proposed transaction. (The review period may then be extended by agreement.)

The Attorney General may review all of the information provided by the parties including the experts and consultants involved in reviewing the proposed agreement upon behalf of the parties. The Attorney General may hold public hearings regarding the proposed agreement.

The Attorney General considers a number of factors and such other information the Attorney General deems relevant in deciding whether to consent or not consent to the proposed agreement or transaction. One of the most significant aspects of the review will be the determination on how the parties will use the charitable trust proceeds from the transactions.

For this purpose the Attorney General may retain such experts and consultants as necessary to review the proposed agreement or transaction. As the legislation is drafted at this time, the parties would be responsible for paying all public hearing costs and review costs including the experts, etc.

If necessary, the Attorney General may initiate an investigation in connection with the public hearing.

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.*

Due to the infrequency of occurrence and unknown impact of this bill, a fiscal impact estimate is unavailable.

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 legislation requires the parties to pay the Attorney General's attorney's fees and costs in the event of litigation. Due to the infrequency of occurrence and unknown impact of this bill, a fiscal impact estimate is unavailable.

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.*

Not applicable

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