

FISCAL NOTE
Requested by Legislative Council
02/05/2007

Amendment to: HB 1129

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$140,000		\$180,000	
Expenditures		\$107,570	\$9,000	\$220,000	\$12,000	
Appropriations		\$107,570	\$9,000	\$220,000	\$12,000	

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$140,000)			(\$180,000)		

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

- 1) Mandates for electronic birth and death registration systems;
- 2) Moving responsibility of death registration to the state;
- a. Reassigning death registration responsibilities to the state registrar and subregistrars
- 3) Restricting access to certified copies of birth and death records.

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.*

The North Dakota Department of Health is required by state law to register and certify all births and deaths that occur in the state. Upcoming federal legislation has mandated new requirements that are intended to make birth certificates more secure and less likely to be used for fraudulent activities. The critical requirements of this Act include;

- 1) Restricting or closing access to birth records;
- 2) Creating electronic registration systems for both birth and death reporting;
- 3) Using security paper when creating certified copies of these records.

If the changes required by this Act are not made, then federal government agencies will no longer be able to accept certified copies of North Dakota birth and death records. The result of this would be catastrophic, because agencies such as the Social Security Administration and the U.S. Passport Agency will no longer be able to provide their valuable services to the citizens of North Dakota. Birth certificates are the primary document used to obtain identification cards such as a driver's license or a passport, and this new legislation is requiring states to step up their security regarding these documents. Open record states, like North Dakota, are being mandated to restrict access to these vital documents where only the individuals with a legitimate need will be allowed to request a certified copy.

Currently the ND Department of Health, Division of Vital Records is responsible for all death registration and the issuing of those certified copies. The state's new electronic death registration system will allow funeral directors to electronically register all deaths in the state directly with the ND Department of Health and request certified copies at the same time. The counties will no longer have access to this information, so they will no longer be issuing certified copies of death records.

The bill also removes the ND Department of Health, Division of Vital Records, from the responsibility of issuing certified copies of marriage records. This was done as a compromise between the state and the ND Association of Counties as a way to alleviate some of the lost revenue from the death registration process. It is also our understanding that the counties may begin charging a fee to file the burial-transit permits in the counties as a way to recoup the remaining lost revenue.

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 result of adding the revenue from issuing all certified copies of death records and losing the revenue from issuing certified copies of marriage records is a net effect of about \$90,000 increase to the state's general fund for each year of the biennium for a total increase of \$180,000 per biennium. Since these changes will not go into effect until January 1, 2008, the revenue estimates for the 2007-2009 biennium are 25% less.

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 result of adding the increased workload and supply cost of issuing all certified copies of death records and the additional cost of the new electronic death registration system is about \$500 per month or \$12,000 per biennium. The increase is made up of additional monthly hosting fees at the Information Technology Department for the new death system and miscellaneous supplies. Since these changes will not go into effect until January 1, 2008, the expenditure estimates for the 2007 is being funded through a federal grant of \$327,570 obtained through the Social Security Administration (SSA) and should cover 100% of development and implementation of the system.

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 is also included in the executive budget or relates to a continuing appropriation.

Included in the Health Department's appropriation bill (HB 1004) is \$220,000 of federal funds for continued development and implementation of the electronic death registry system.

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