

FISCAL NOTE
Requested by Legislative Council
01/14/2009

Bill/Resolution No.: SB 2203

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$1,240,000		\$1,240,000
Expenditures				\$900,000		\$1,200,000
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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).*

The purpose of SB 2203 is to amend section 4-10.4-08 of the North Dakota Century Code to increase the barley check-off from the current rate of 10 mills (one cent per bushel) to 20 mills (2 cents per bushel). This increase directly affects barley producers.

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.*

Funding for the North Dakota Barley Council is considered special funds which are generated by the check-off, and thus are not appropriated from the general fund. Continuing appropriation authority is granted by the North Dakota Century Code. The check-off fee is assessed at the first point of sale, and serves as the only source of funding for the Barley Council. The check-off funds are used to support the mission of the Council to enhance the utilization of barley through targeted research and education at the production, processing, and marketing levels. The current check-off of \$0.01 per bushel generates approximately \$1,240,000.00 in gross revenue per biennium (based upon the most recent 3 year average of barley assessments per Council records).

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.*

Increasing the check-off from \$0.01 per bushel to \$0.02 per bushel would result in potential gross revenue generation of approximately \$2,480,000.00 per biennium (an increase of \$1,240,000 per biennium based upon a 3 year average of Barley Council assessment records). This revenue increase is provided in section 1A of this fiscal note. This allows the Barley Council to maintain and expand programs in barley variety development, crop quality, market development, risk management, domestic policy, promotion, education, administration, and operating. This would also allow for maintaining sufficient reserves to respond to unforeseen barley issues when they occur while simultaneously providing financial stability during unanticipated production declines.

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.*

Expenditures would primarily focus on developing varieties with higher yields, thus allowing barley to remain competitive with other crops that have experienced yield increases due to advanced variety development research. Expenditures would also support efforts in other programs, including but not necessarily limited to market

development, risk management, and crop quality. Total expenditures per biennium are estimated to increase from current levels of approximately \$1,200,000.00 to a range of \$2,100,000.00 to \$2,400,000.00, a resultant increase of \$900,000.00 to \$1,200,000.00 per biennium.

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.*

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