

FISCAL NOTE
Requested by Legislative Council
01/11/2013

Bill/Resolution No.: HB 1188

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(11,820)		\$(11,820)
Expenditures			\$(9,277)	\$(11,820)	\$(9,277)	\$(11,820)
Appropriations			\$11,820	\$(11,820)	\$11,820	\$(11,820)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(5,599)	\$(5,455)
Cities			
School Districts			
Townships			

- 2 A. **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 Bill repeals the chapter of NDCC relating to the regulation of tanning facilities including the collection of a license fee.

- 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.*

Chapter 23-39 directs the Department of Health to issue permits to tanning facilities and to regulate the industry.

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.*

Passage of this bill would result in lost revenue for the Department and for the 7 Local Public Health Units that regulate the industry in their regions. Each tanning facility is licensed annually. Currently there are 65 facilities licensed by the Department each year. The license fee is \$90 for those facilities with fewer than 10 beds (62) and \$110 for facilities with more than 10 beds (3). The Department's appropriation currently contains \$11,820 in anticipated revenue. The Local Public Health Units anticipate collecting \$30,672 of revenue in the 2013 – 2015 biennium from licensing and \$30,949 in the 2015 – 2017 biennium.

- 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.*

Currently the Department of Health spends approximately 559 hours a biennium regulating the tanning industry and processing licenses at an average rate of \$37.74 per hour. Total expenses in the 2013 – 2015 biennium are \$21,097. The Local Public Health Units anticipate expenditures of \$25,073 in the 2013-2015 biennium for regulating the industry and processing licenses and \$25,494 in the 2015–2017 biennium. Passage of this bill will result in a net loss of revenue of \$5,599 in the 2013-2015 biennium and \$5,455 in the 2015-2017 biennium for the Local Public Health Units.

- 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.*

If this bill passes the Department would not be able to eliminate the FTE as these duties are only a small portion of an FTE and there are other outstanding licensing issues that need to be addressed within the Division. However, the lost revenue would need to be replaced with general fund or increased fees.

Name: Brenda M. Weisz

Agency: Department of Health

Telephone: 328-4542

Date Prepared: 01/17/2013