

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Bill/Resolution No.: SB 2378

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
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).*

SB 2378 creates a local community incentive fund program and authorizes an income tax credit for contributions to the fund.

- 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.*

Section 2 of SB 2378 creates a new income tax credit for 100% of a contribution made to a local community incentive fund set up and administered by the Bank of North Dakota. The purpose of the fund is to provide grants to local, state, and tribal government units and nonprofit organizations to be used for recreational, arts, science, and quality of life amenity projects. The amount of the contribution must be added back to North Dakota taxable income to the extent it reduces federal taxable income. An unused credit may be carried forward up to 10 years. There is a \$20 million cap on the total credits allowed per biennium.

If enacted, SB 2378 has the potential to reduce state general fund revenues for the 2015-17 biennium, but the amount of the reduction cannot be determined. Due to the cap on total credits provided in the bill, any reduction in state general fund revenues is limited to \$20 million for the 2015-17 biennium.

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.*

- 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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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