

FISCAL NOTE
Requested by Legislative Council
01/14/2015

Bill/Resolution No.: HB 1229

- 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	\$0	\$13,000	\$0	\$11,000	\$0	\$9,000
Expenditures	\$0	\$2,000	\$0	\$5,000	\$0	\$5,000
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 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	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

This bill would replace the NDSEB's current undertaking fund with a \$35,000 bond that an electrical contractor would provide. The purpose of the bond would be to have a means for a consumer to finish electrical work abandoned by an electrical contractor.

- 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.*

Currently the NDSEB receives from a master electrician engaging in electrical contracting a one time fee of \$50 (which may be required again if the fund is depleted) be paid into the current undertaking fund. The current undertaking fund presently allows a maximum of \$5,000 per contractor to be used to help consumers finish electrical work abandoned by an electrical contractor. In current situations, \$5,000 is not enough to complete abandoned electrical work and consumers are left to absorb the extra costs. The contractor provided \$35,000 bond would have a means and more insurability that the consumer would have a direct method to recoup costs through the bond provider. This would ensure that any safety/code violations would be corrected to curtail any potential dangerous electrical situations.

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.*

As was explained in 2B above a new electrical contractor pays a fee of \$50 when they engage in electrical contracting and may be required to pay an additional \$50 per year but to date this has not been required.

- 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 expenditures listed are amounts used to finish electrical work abandoned by electrical contractors. The ND State Electrical Board is presently addressing two situations that are estimated to exceed the \$5,000 allowed per case so the consumer will be responsible for the excess. There are several other cases that this office anticipates will fall within the same scenario.

- 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.*

N/A

Name: James Schmidt

Agency: North Dakota State Electrical Board

Telephone: 701-328-9522

Date Prepared: 01/14/2015