

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Amendment to: SB 2095

- 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 2095 creates new law providing a limited exemption from state or local licensing, registration, and tax obligations to out-of-state businesses that the state, a political subdivision of the state, or an in-state business asks to perform disaster or emergency remediation work in the state.

- 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 bill provides that out-of-state businesses and their out-of-state employees are not subject to any state or local licensing, registration, and certain tax obligations if they are in North Dakota for the sole purpose of repairing or replacing critical infrastructure during a disaster response period associated with a state-declared disaster or emergency. Unless specifically exempted during the disaster response period, the exemption does not apply to transaction taxes and fees, such as fuel taxes, hotel taxes, car rental taxes, or sales or use taxes on materials or services consumed or used in the state.

The enactment of SB 2095 would have potential negative and positive fiscal effects at both state and local levels. The exemption from state and local taxes and fees is broad, covering state income taxes, state and local sales and use taxes, state unemployment taxes, state workers' compensation premiums, and other types of state and local taxes and fees. On the negative side, the exemption would result in the loss of revenues from taxes and fees that would have otherwise been due. On the positive side, there would be additional revenues from the non-exempt transaction taxes and fees that must be paid.

It is not possible to estimate the amount of the potential decrease or increase in revenues given the nature of the bill's purpose and the many unknown variables that would factor into a fiscal impact calculation.

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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