

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: SB 2086

- 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				\$(6,000)		\$(6,000)
Expenditures		\$500				
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).*

SB2086 would revise the current Wholesaler statutes based on the passage of the Federal Drug Quality and Security Act of 2013. Provisions for a category of Outsourcing Facilities and revisions for Third Party Logistics provider are proposed to be consistent with the Federal standards.

- 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 current law licenses Outsourcing facilities as Wholesale Distributors. This legislation (Section 4) would create a license category specifically for outsourcing facilities. Currently we have 15 of the Federally registered outsourcing facilities licensed by our agency. The current annual license costs for these business types under Section 3 for Wholesaler/Distributor is set at \$400. Section 3 would propose this to be set at \$200 as an outsourcing facility category. We do not anticipate any significant increase or decrease in the number of outsourcing facilities in which will be licensed.

Third Party logistics providers (section 5) will continue to be licensed under this section and their license cost will be unchanged (section 3).

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.*

There are 15 current outsourcing facilities that hold a ND Wholesale license. Their current annual license cost is set at \$400. This legislation in allowing a separate category for outsourcing facilities proposes a \$200 license cost. We anticipate a net loss in revenue by the change of \$3000 per year (15 X \$200) or \$6000 per 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.*

We anticipate a cost of \$500 to implement the database changes to account for the proposed revisions in the legislation.

- 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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