

**FISCAL NOTE**  
**HOUSE BILL NO. 1406**  
**LC# 23.0712.03000**  
**02/10/2023**

**1 - 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.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,615,124		\$8,615,124	
Appropriations						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1406 creates a liability for the department if it promotes, markets, or advertises any mRNA or COVID-19 vaccine or future variant as safe. The department shall cover the costs of treatment and diagnostics for individuals who suffer any "physical injury."

## 4 - Fiscal Impact Sections Detail

*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 1 designates if the department promotes, markets, or advertises any mRNA or COVID-19 vaccine, the department would be required to cover the costs of treatment and diagnostics for any individual who suffers any "physical injury" due to receiving the vaccine. The department would require one FTE to oversee potential claims. A panel of three physicians to review claims of physical injury would be needed. The department anticipates the need for legal fees due to potential lawsuits. Funds may be needed to pay for potential claims for injuries.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Section 1 designates if the department promotes, markets, or advertises any mRNA or COVID-19 vaccine, the department would be required to cover the costs of treatment and diagnostics for any individual who suffers any "physical injury" due to receiving the vaccine. The department would require one FTE to oversee potential claims at a cost of \$225,124 in each of the 23-25 and 25-27 bienniums. The need for a panel of 3 physicians to review claims of injury is anticipated to cost \$750,000 in each of the 23-25 and 25-27 bienniums. The department anticipates the need for legal fees due to potential law suites at \$500,000 in each of the 23-25 and 25-27 bienniums. The average reimbursement through the National Vaccine Injury Compensation program (VICP) is \$357,000 per claim. Physical injury is not defined in HB 1406, however, if there are 20 potential paid claims per biennium the cost is estimated at \$7,140,000 in each of the 23-25 and 25-27 bienniums.

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please 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.*

An appropriation of \$8,615,124 will be needed in the 2023 - 2025 biennium in order to operate as this is not reflected in HB 1004, the appropriation bill for the Public Health Divisions of the Department of Health and Human Services.

## Contact Information

**Name:** Lawrence Hopkins

**Agency:** ND DHHS

**Telephone:** 7013284543

**Date Prepared:** 02/10/2023