

FISCAL NOTE
HOUSE BILL NO. 1283
LC# 23.0600.02000
01/23/2023

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		\$1,702,734		\$1,530,000		\$1,530,000
Appropriations		\$1,702,734		\$1,530,000		\$1,530,000

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).

This bill establishes a new prohibition on banks, insurance companies, securities companies, and non-bank financials from adopting or acting upon ESG related policies or lending criteria.

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 3 of this bill puts the enforcement of this under the jurisdiction of the department, which would require the department to establish an examination program to ensure this was done correctly. Section 4 of this bill requires the department to establish and publish a list of offenders. The request is for a total of 7 FTEs to examine for compliance, to supervise the program, and to manage the website. The workload estimate was based upon comparable industry examination cycles and costs for existing examination staff. One time funding was for IT related

costs and initial external staffing setup costs of these companies within this IT platform. The IT platform was estimated as an add on form to an existing program, and it is assumed this would be similar in costs to other comparable forms.

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.

It is unclear how the expenditures will be funded. As a special funds agency, the department's revenue is generated through assessments and fees. This bill does not adjust fees for institutions already regulated by the department and it does not establish a funding mechanism to fund the expenses related to the securities or insurance companies. This bill may see fewer companies doing business in North Dakota, which may have a negative impact on existing revenue streams; however, it is difficult to quantify what that impact will be.

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.

Expenditure details for 7 FTEs (5 examiners, 1 supervisor, 1 administrative)

Salaries - \$1,296,000
Operating - \$234,000

Total ongoing expenditures - \$1,530,000

One-time Setup Costs

Microsoft Dynamics Form - \$150,000
Initial Data Entry - \$22,735

Total One-time Setup Costs - \$172,734

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.

Appropriations details for 7 FTEs (5 examiners, 1 supervisor, 1 administrative)

Salaries - \$1,296,000
Operating - \$234,000

Total ongoing appropriations - \$1,530,000

One-time Setup Costs

Microsoft Dynamics Form - \$150,000
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