

**FISCAL NOTE**  
**SENATE BILL NO. 2333**  
**LC# 23.0783.02000**  
**01/24/2023**

**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 |
| <b>Revenues</b>       |                    |             | \$247,380          |             | \$2,472,620        |             |
| <b>Expenditures</b>   |                    |             | \$1,564,680        |             | \$2,646,620        |             |
| <b>Appropriations</b> |                    |             |                    |             |                    |             |

**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 |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Counties</b>         |                    |                    |                    |
| <b>Cities</b>           |                    |                    |                    |
| <b>School Districts</b> |                    |                    |                    |
| <b>Townships</b>        |                    |                    |                    |

**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).*

The bill provides for annual legislative sessions.

**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.*

The bill provides for the Legislative Assembly to meet annually with the number of days each year determined by the Legislative Assembly. The State Auditor expects the state would lose its federal annual single audit exemption with the change to annual legislative sessions. The federal government requires states to conduct an annual single audit. The federal government has allowed North Dakota to conduct a biennial single audit but if the Legislative Assembly meets annually, the State Auditor expects the federal government to require North Dakota to also conduct an annual single audit.

## 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.*

The State Auditor estimates additional general fund revenues would result from the billing of federal programs for the cost of the annual single audit.

## 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.*

For the 2023-25 biennium, additional estimated costs for the Legislative Assembly of \$290,000 would be incurred for the reconvened session in 2024 with an estimated length of 3 legislative days. The 2025 regular session is anticipated to be 75 legislative days rather than the 77 days budgeted, resulting in reduced costs of \$116,000. The net increase in costs would be \$174,000.

For the 2023-25 biennium, additional estimated costs for the State Auditor of \$1,390,680 would be incurred to hire 6 new FTE positions to train and prepare for the annual single audit anticipated to begin for the federal fiscal year ending September 30, 2025.

For the 2025-27 biennium, assuming the Legislative Assembly meets for 3 legislative days in 2026 and 75 legislative days in 2027, the estimated additional costs for the Legislative Assembly would again be \$174,000.

For the 2025-27 biennium, additional estimated costs for the State Auditor would be \$2,472,620 for the cost of continuing the 6 FTE positions hired in the 2023-25 biennium and hiring an additional 5 FTE positions for conducting the annual single audit.

## 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.*

Appropriation amounts would need to be adjusted to reflect the estimated expenditure amounts shown above.

## Contact Information

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