FISCAL NOTE
SENATE BILL NO. 2334
LC# 23.0985.01000
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						
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).

SB 2334 creates a new local revenue loss reimbursement fund and removes the sunset on a sales tax exemption for fertilizer plants.

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 of SB 2334 will remove the sunset for a sales tax exemption for the sales used to construct a fertilizer or chemical processing facility in this state.

Section 3 of SB 2334 will create a new local revenue loss reimbursement fund. The state treasurer shall distribute to a county or city an amount equal to 1% of the estimated value of a tangible property used in the construction of new

infrastructure if the county or city is levying a local sales tax, the estimated total cost for the new infrastructure is at least $500 million dollars, the new infrastructure is within the county or city limits, and the new infrastructure is exempt from sales tax under 57-39.2 of the North Dakota Century Code or use tax under chapter 57-40.2. If the new infrastructure is within city limits, only a city is eligible to receive a distribution. The allocation of revenue is defined under Section 2 of SB 2334.

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.

Section 1 of SB 2334 will create a reduction in revenue to both the general fund and the state aid fund on any eligible exemption claims. To date, the Office of State Tax Commissioner has not received any requests for a sales tax exemption for sales used to construct a fertilizer or chemical processing facility in this state. It is unknown whether future claims will be made for this exemption. Due to this fact, the Office of State Tax Commissioner is unable to provide a reliable estimate for the revenue reduction amount.

Section 3 of SB 2334 will create a reduction in revenue to the general fund. The amount of the reduction is primarily based on the estimated value of tangible property used in the construction of new infrastructure. It is unknown whether if future development will meet the criteria listed in section 3 of SB 2334. Due to this fact, the Office of State Tax Commissioner is unable to provide a reliable estimate for the revenue reduction amount.

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.

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.

Contact Information

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