

FISCAL NOTE
SENATE BILL NO. 2333
LC# 25.1286.01000
01/27/2025
Revised - 01/27/2025

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.

| | 2023-2025 Biennium | | 2025-2027 Biennium | | 2027-2029 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | \$5,242,565 | | | | |
| Expenditures | | \$2,386,976 | | \$6,000,000 | | \$6,000,000 |
| Appropriations | | | | | | |

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

Identify the fiscal effect on the appropriate political subdivision.

| | 2023-2025 Biennium | 2025-2027 Biennium | 2027-2029 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 creates and enacts a new section of chapter 4.1-01 of NDCC relating to a low carbon fuels fund; sections 39-04-39 and 54-44.5-09 of NDCC, relating to the distribution of certain vehicle registration fees and ethanol production incentives; to provide a continuing approp. and a transfer.

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 creates a Low-carbon fuels fund - continuing appropriation. The fund consists of all moneys transferred to the fund under section 39-04-39. The moneys in the fund are appropriated to the commissioner on a continuing basis.

The commissioner shall distribute low-carbon fuels incentives to ethanol production facilities for eligible capital

projects. Distributions are limited to 50% of the cost of eligible capital projects and may not exceed: a) \$3 million/biennium; b) cumulative distributions of \$10 million/facility; and c) a period of ten years beginning with the first distribution to the facility.

The commissioner may use up to \$1 million from the fund to contract with an entity to develop a carbon intensity verification process.

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 ethanol production incentive fund currently has about \$5.3 million. Dept of Commerce estimates revenue to be \$5.2 million for 2023-25 biennium. Section 5 transfers any remaining balance to the low-carbon fuels fund on July 1, 2025. Section 2 has the state treasurer transfer annually from the highway tax distribution fund to the low-carbon fuels fund an amount equal to 40% of all sums collected for the registration of farm vehicles until the cumulative total transfers equals \$30 million. Based on past data, we are estimating this will account for revenue of \$5.2 million/biennium. However, this is not "new" revenue; it's just moving from the ethanol production fund to the low carbon fuels fund - so revenue is not impacted.

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.

Dept of Commerce estimates expenditures to be \$2.3 million for 2023-25 biennium. Based on estimated funds available and eligible facilities, we are estimating expenditures of \$6 million/biennium for the next two biennia.

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.

N/A - continuing appropriation.

Contact Information

Name: Lynette Baumiller

Agency: Agriculture

Telephone: 7013281960

Date Prepared: 01/27/2025