

FISCAL NOTE
HOUSE BILL NO. 1123
LC# 25.8124.01000
01/07/2025
Revised - 01/07/2025

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			\$2,492,630	\$2,492,630		
Expenditures						
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).

Section 1 affects approximately five areas, leading to increased revenue for the Insurance Regulatory Trust Fund. The remaining sections have been revised for clarity and to ensure consistency with other provisions of the law.

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.

Sections 1(a), (b), (e-g), and (n) all introduce increased fees, many of which have remained unchanged for 30 to 40 years. Sections 1(u-z) involve language cleanup, transferring provisions from other parts of the code into the fees section. Section 1(2) is also focused on cleanup, while Section 1(3) seeks clarification for potential future scenarios. Sections 2-8 have no fiscal impact and are revised solely for clarity and to ensure consistency with other legal provisions

Under NDCC 26.1-01-07.1(3), any funds exceeding \$1,000,000 (after expenses) in the Insurance Regulatory Trust Fund are required to be transferred to the General Fund at the close of each fiscal year. Therefore, it is anticipated that the General Fund will receive the additional revenue resulting from the increased fees.

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.

Appointment Fees: Currently set at \$10, the appointment fee is expected to increase to \$25. With an estimated 44,176 appointments, this change will generate an additional \$662,640 for the calendar year and \$1,325,280 for the biennium.

Life Settlement Broker Renewal Fees: Currently set at \$12, the renewal fee for Life Settlement Brokers will increase by \$13. With 15 renewals projected for 2024, this increase will generate an additional \$195 in income for the calendar year and \$390 for the biennium.

Life Settlement Provider Annual Statement Fees: Currently set at \$25, the fee for Life Settlement Provider Annual Statements will increase to \$200. With 7 filings projected, this increase will generate an additional \$1,225 for the current calendar year and \$2,450 for the biennium.

Company Licensing Renewal Fees: Currently, the minimum renewal fee is \$155 per company. With the proposed fee increase, based on retaliatory principles, it is projected to generate \$581,805 for the calendar year and \$1,163,610 for the biennium. This projection is based on 849 renewals, each who currently are paying less than \$1,000.

Company Licensing Articles and Copies Fees: Currently set at \$25, the fee for company articles and copies will increase to \$50. With 18 requests projected, this change will generate an additional \$450 for the calendar year and \$900 for the biennium.

Under NDCC 26.1-01-07.1(3), any funds exceeding \$1,000,000 (after expenses) in the Insurance Regulatory Trust Fund are required to be transferred to the General Fund at the close of each fiscal year. Therefore, it is anticipated that the General Fund will receive the additional revenue resulting from the increased fees.

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.

n/a

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

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