

**FISCAL NOTE**  
**HOUSE BILL NO. 1086**  
**LC# 25.8126.05000**  
**02/21/2025**

## 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			\$560,500	\$(77,000)		
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).*

Removes the reduced cigarette ignition propensity and firefighter protection act enforcement fund, deposits fees into the Insurance Regulatory Trust Fund, and requires the Fire Marshal to establish a fee to charge annually to defray the actual costs of the processing, testing, and enforcement.

## 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, Subsection 5 requires the State Fire Marshal to establish an annual fee to offset the costs associated with implementing the provisions of chapter 18-13.

Section 2 introduces Section 18-13-03, which specifies the allocation of amounts deposited into the Insurance

Regulatory Trust Fund. Subsection (3) ensures that the reserve for the Insurance Regulatory Trust Fund is maintained at \$1 million. Section 4 outlines the transfer of the estimated \$500,000 from the Cigarette Propensity Fund to the Insurance Regulatory Trust Fund effective August 1st.

With the changes in Section 1, which redirect all fees to the Insurance Regulatory Trust Fund instead of the Cigarette Propensity Fund, there is a positive impact on the general fund. However, this full impact is difficult to estimate past the first fiscal year due to the new requirement to establish annual 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.*

The general fund should see a positive effect due to NDCC 26.1-01-07.1 (3).

Because this bill affects the Reduced Cigarette Ignition Propensity fund and the Insurance Regulatory Trust fund the other funds state fund section is impacted. The other funds section is the total amount estimated to be collected of 550 certifications \* \$250 (current annual fee), minus the estimated amount of the new annual fee of \$110 \* 550 certifications. An annual assessment of hours and related expenses will be analyzed and may change due to the administrative payroll costs, along with any expenses related to fire investigations that may be cigarette related.

## **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.*

Estimating expenditures is challenging due to the requirement for recertification of each cigarette certified under this section every three years. The department will continue to allocate administrative payroll costs to the fund, along with any expenses related to fire investigations that may be cigarette related.

## **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.*

No additional appropriation authority.

## **Contact Information**

**Name:** Susan Daou

**Agency:** Insurance

**Telephone:** 7013282930

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