

FISCAL NOTE
HOUSE BILL NO. 1027
LC# 25.0246.04000
04/04/2025

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 | | | | | | |
| 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).

This legislation would transfer administration of the Fire and Tornado Fund from the Insurance Department to OMB. OMB does not have the staff to directly administer the Fund should the current contractual relationship with the North Dakota Insurance Reserve Fund terminate.

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.

OMB does not have the staff or IT infrastructure to directly administer the Fire and Tornado Fund in the event the current administration of the Fund by NDIRF would terminate. It is unlikely any entity other than NDIRF would be able to successfully administer coverage, rate, claim and reinsurance activities. In the event OMB would need to directly administer Fund activities, additional professional level staff and other resources, including IT systems,

would be necessary. The proposed legislation addresses this through section three by requiring any contractual termination to be preceded by sufficient notice to address necessary funding and appropriations in the next legislative session. The extent to which this provision could be enforced against NDIRF in the event of disputes between the state and NDIRF on proper administration of the Fund is unknown.

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.

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.

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