

FISCAL NOTE

Requested by Legislative Council
01/03/2005

Bill/Resolution No.: SB 2147

1A. **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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	(\$947,000)	(\$68,000)	(\$947,000)	(\$68,000)
Expenditures	\$0	\$0	\$200,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$200,000	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This legislation provides \$100,000 of general funds for a North Dakota certified beef program, makes changes to Ag Products Utilization Commission authorities, creates a livestock loan guarantee program at the Bank of North Dakota, expands the ag processing business investment tax credit, provides a state sales tax refund related to construction materials related to new livestock facilities and provides \$100,000 of general funds to promote farmers markets.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The following were developed in consultation with the Tax Department:

1. The current ag processing income tax credit is estimated to reduce general fund revenues by \$125,000 per year. Increasing this credit from 30% of the investment to 50% of the investment is estimated to reduce revenues by \$165,000 per biennium.

2. We are unable to estimate the impact on general fund revenues of the expansion of the definition of "agricultural processing facility."

3. Providing sales tax refunds for materials used in constructing livestock facilities is estimated to to reduce revenues by \$850,000. The reduction would be \$782,000 to the general fund and \$68,000 to the state aid distribution fund.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

1. The North Dakota certified beef program would increase expenditures for the Department of Agriculture to develop and promote such a program. No FTE's are proposed.

2.The farmers' market promotion appropriation would increase expenditures by the Department of Agriculture to organize new farmers' markets and promote new and existing farmers' markets. No FTE's are proposed.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The North Dakota certified beef program and the farmers' market promotion program will increase the Department of Agriculture appropriation by a total of \$200,000. These amounts are not included in the executive budget.

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Agency: Agriculture
Date Prepared: 01/11/2005