

FISCAL NOTE

Requested by Legislative Council
01/18/2005

Bill/Resolution No.: HB 1522

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			\$45,000			
Expenditures			\$468,000			
Appropriations						

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.*

HB 1522 reinstates the requirement that all cigarettes sold in the state must be stamped. Section 13 of HB 1522 repeals the deduction to licensed distributors for administrative expenses.

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 repeal of the deduction for distributors is estimated to result in increased state general fund revenues of \$45,000 for the 2005-07 biennium.

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.*

The stamping requirements of HB 1522 would cause an increase in expenditures estimated to total \$368,000 for the 2005-07 biennium. These expenses include stamps, stamp cylinders, insured delivery of stamps, computer system expenses, and two FTE.

Additionally, there will be expenses associated with the regulation provisions of Section 1, requiring one FTE for investigative purposes. This is estimated to result in an additional \$100,000 of expenditures for the 2005-07 biennium.

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.*

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Agency: Office of Tax Commissioner
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