

FISCAL NOTE
Requested by Legislative Council
01/15/2015

Amendment to: HB 1238

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$1,142,573	\$0	\$3,020,600	\$0	\$3,000,000
Expenditures	\$0	\$1,032,067	\$0	\$3,000,000	\$0	\$3,000,000
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1238 provides a mechanism and authorization for an additional \$1 per head mandatory but refundable state beef checkoff assessment.

- B. **Fiscal impact sections:** *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.*

Subdivision b of subsection 1 of section 4.1-03-11 provides for an additional ND assessment of \$1 for each animal sold. On average, this will affect approximately 1-1.2 million head of cattle annually.

Subdivision b of subsection 1 of section 4.1-03-17 provides for a refund of this state assessment within time lines outlined in subsection 2. Refunds were available prior to October 1, 1986 under state law. The refund rate at that time was 12%. To estimate cautiously, a 12% refund rate has been used in projections.

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 only revenue type affected by this bill is beef checkoff income. The ND Beef Commission funds are also considered special funds with a continuing appropriation and have no impact on the executive budget.

2013-2015 Revenue – \$1,142,573 estimate from a combination of 13/14 actuals and 14/15 estimates.

2015-2017 Revenue – \$3,020,600 which includes an estimate of \$1,020,600 from the state’s half of current national checkoff plus interest/other income, and new revenue of \$2,000,000 from new state checkoff of \$1 per head on cattle sold.

2017-2019 Revenue - \$3,000,000 again based on state half of national checkoff and full dollar from state checkoff.

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 ND Beef Commission conducts programs designed to increase demand and profitability for the beef industry. Currently, the Commission employs 2 full time staff members. Programs currently include beef promotion, education, consumer information, industry information, research, national and international programs, and producer communications.

2013-2015 expenditures -\$1,032,067 which includes a combination of 13/14 actuals and 14/15 estimates.

New funding made possible in this bill would allow for expanded programs designed to increase demand for beef. These programs include much needed beef product research at our state institutions, along with expanded reach to our beef consumers, health professionals and educators. It would also provide funding to reinstate effective beef promotion programs that have been discontinued due to increased costs and reduced funding and purchasing power of the beef checkoff.

2015-2017 expenditures – \$3,000,000 which includes \$1,000,000 from state half of national checkoff funds, an estimate of 12% refunds from new state checkoff dollars at \$240,000, and \$1,760,000 for increased programs of beef promotion, research, education, consumer information, industry information, and producer communications at the state, national and international level. One staff position that is currently open, due to a retirement and reduced funds, would also be filled.

2017-2019 expenditures - \$3,000,000 total including \$1,000,000 from state half of national checkoff and \$2,000,000 (less refund requests) from state checkoff program.

C. Appropriations: *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.*

The ND Beef Commission has a continuing appropriation and all funds are used for beef demand building activities.

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