

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/18/2021**

Bill/Resolution No.: HB 1441

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>			\$5,000,000			

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

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	Counties	Cities	School Districts	Townships		

- 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 1441 establishes a paid family medical leave program.

- 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.*

Section 1 of HB 1441 sets forth the parameters for the establishment of a voluntary paid family medical leave program, to become effective for voluntary contributions in FY 2023 and accessible for withdrawing for an eligible medical event beginning in FY 2024.

Sections 2 and 3 of HB 1441 provide an income tax credit to participating employers. The tax credit is equal to twenty percent of the contributions paid into the family medical leave fund during the tax year, and is effective beginning in tax year 2021. This section could have a fiscal impact during the 2021-23 biennium to the extent qualifying contributions are made by employers.

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.*

If enacted, HB 1441 could reduce state general fund revenues due to the tax credit provisions in Section 2 and 3 of the bill. The amount of the tax credit cannot be determined because it is dependent upon the number of employers who choose to participate in the program, the level of contributions they make, and the tax liabilities of the employers, all of which are unknown.

- 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.*

**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.*

Section 4 of HB 1441 contains an appropriation of \$5 million from the state general fund to the family medical leave fund.

**Name:** Kathryn Strombeck

**Agency:** Office of Tax Commissioner

**Telephone:** 701-328-3402

**Date Prepared:** 02/02/2021