



# North Dakota Legislative Council

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## MEMORANDUM

TO: All State Agencies

FROM: John Bjornson, Director

RE: Fiscal Notes

In accordance with Chapter V of the Joint Legislative Rules, fiscal notes are needed on all bills and resolutions that have a fiscal impact (revenues or expenditures) on the state or counties, cities, or school districts.

If it is determined a fiscal note is required, and if it is determined your agency is the appropriate source of the needed information, our office will send the designated recipient for your agency an email **Request for Fiscal Note** with a copy of a form entitled **Fiscal Note** and a copy of the bill or resolution, and any amendment, which is the subject of the request. Under Joint Rule 501, each agency from which a fiscal note is requested has **5 days** in which to provide the requested information for a bill or resolution as introduced and **1 day** for an amendment to a bill or resolution.

The information provided on the fiscal note should indicate the estimated fiscal effect on revenues and expenditures of the measure for the 2017-19, 2019-21, and 2021-23 bienniums. Please be certain your response reflects the **complete fiscal effect, with consideration of all aspects of the bill and other agencies that may be affected**. It should be specified whether a special fund or the state, county, city, or school district general fund is affected. **Negative numbers should be shown in parentheses and positive numbers without parentheses.**

It must be remembered a fiscal note is **informational only** and does not affect the appropriation of the agency. If additional appropriations are necessary, the relevant appropriation bills must be amended. The fiscal note forms require an estimate of the effect of the measure on the appropriation for your agency or department. A positive number should be used to show added costs and a negative number to show cost-savings. However, this information will not alter the appropriation for your agency or department unless your agency's appropriation bill is amended.

In the past, there has been some confusion concerning the relationship between the fiscal note process and the executive budget. The purpose of a fiscal note is to provide legislators with a comparison of the fiscal effect of the legislation in the bill to **current law**; therefore, the numbers shown in the upper sections of the fiscal note should reflect the impact of the bill's changes to current law. In addition, it is appropriate to include in the narrative section of the fiscal note whether any part of the revenue impact has been included in the executive revenue forecast or whether any portion of the expenditure or appropriation's impact is included in the appropriations recommended in the executive budget.

State agencies should follow legislation for which the agencies have been requested to prepare fiscal notes and be prepared to respond to requests for amended fiscal notes on short notice. You should begin preparation of information if you are aware a committee is considering making changes to a measure for which you are responsible for providing fiscal information. A request for a fiscal note for an amendment will be triggered by standing committee recommendation of the amendment, rather than when the amendment is adopted on the floor of the House or Senate. This is intended to accelerate the receipt of fiscal notes for floor consideration of amendments. You may be asked to respond to requests from committees or individual legislators for informal fiscal estimates on various proposals, and please respond as best you can. To avoid confusion you should fill out a fiscal note form only when you have been **officially requested by this office** to provide a formal fiscal note.

If your agency receives a request for a fiscal note, it means your agency has been determined to have primary responsibility for compiling and maintaining the necessary information. We will send a fiscal note request to only one agency for a bill. The fiscal note should reflect all aspects of the fiscal effect of the bill, including effects on other affected agencies. The agency having responsibility for preparing the fiscal note may need to request assistance from other agencies. The Legislative Assembly expects agencies will cooperate promptly to allow the agency having primary responsibility to meet its obligation in completing the fiscal note.

We must establish agency contact email addresses for the electronic fiscal notes system. **Attached is a list of your agency's contacts from last session and a form to be completed and returned to our office with any changes by Friday, November 16, 2018.** When we have compiled a mailing list of fiscal note contacts, we will send your primary recipient instructions for use of the electronic fiscal notes system. Ms. Melissa Ingram of the Legislative Council staff will handle the details related to establishing contacts for the fiscal notes system.

During the 2019 legislative session, Ms. Sheila M. Sandness of the Legislative Council staff will be coordinating the fiscal notes process. If you have any questions, please call Ms. Sandness.

We welcome your suggestions if you have ideas to improve the fiscal note process.

JB/JJB