

# FISCAL NOTE

Requested by Legislative Council  
01/23/2001

Bill/Resolution No.: SB 2299

Amendment to:

**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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$553,000)	(\$1,000)		
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$7,000					

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

SB 2299 cuts the coal severance tax rate in half and increases the coal conversion tax rates. It also removes the sales tax on all coal, and levies a coal conversion tax on a small power plant previously subject to property tax.

**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 first sections of the bill eliminate the sales tax on coal. This reduces state general fund revenues by \$15,000 and the state aid distribution fund by \$1000 in the 01-03 biennium. The reduced coal severance tax rate and the increased coal conversion tax rates are expected to reduce state general fund revenues by \$180,000 and increase county revenues by \$7000 during the 01-03 biennium. The provisions that hold the counties equal to the prior year's revenue are expected to reduce state general fund revenue by \$358,000 during the 01-03 biennium, to reimburse Morton County for property taxes on its power plant.

**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, 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:** Tax Department  
**Date** 01/26/2001  
**Prepared:**