FISCAL NOTE Requested by Legislative Council 01/16/2007

Bill/Resolution No.: HB 1462

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.

| | 2005-2007 Biennium | | 2007-2009 | Biennium | 2009-2011 Biennium | | |
|----------------|--------------------|-------------|-----------------|-------------|--------------------|-------------|--|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds | |
| Revenues | | | | | | | |
| Expenditures | | | | | | | |
| Appropriations | | | | | | | |

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

| 2005-2007 Biennium | | 2007-2009 Biennium | | | 2009-2011 Biennium | | | |
|--------------------|--------|---------------------|----------|--------|---------------------|----------|--------|---------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |

2A. **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 1462 sets forth a comprehensive energy policy for the state, and provides a sales tax exemption for materials used in the compression, processing, distributing and refining of shallow gas.

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 2 of the bill provides the sales tax exemption. The exemption includes materials used in compressing, processing distributing, or refining gas from a shallow gas well. We do not know if a refinery will be built, the taxable materials that may be used, and the associated cost that will be subject to the sales tax exmeption. We do not have any information upon which to estimate the fiscal impact.

- 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.
 - 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 is also included in the executive budget or relates to a continuing appropriation.

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|---------------|----------------------|----------------|----------------------------|
| Phone Number: | 328-3402 | Date Prepared: | 01/25/2007 |