

# FISCAL NOTE

Requested by Legislative Council  
02/17/2009

Amendment to: Engrossed  
HB 1304

**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.*

|                       | 2007-2009 Biennium |             | 2009-2011 Biennium |                | 2011-2013 Biennium |             |
|-----------------------|--------------------|-------------|--------------------|----------------|--------------------|-------------|
|                       | General Fund       | Other Funds | General Fund       | Other Funds    | General Fund       | Other Funds |
| <b>Revenues</b>       |                    |             |                    | (\$35,450,000) |                    |             |
| <b>Expenditures</b>   |                    |             |                    |                |                    |             |
| <b>Appropriations</b> |                    |             |                    |                |                    |             |

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

| 2007-2009 Biennium |        |                  | 2009-2011 Biennium |             |                  | 2011-2013 Biennium |        |                  |
|--------------------|--------|------------------|--------------------|-------------|------------------|--------------------|--------|------------------|
| Counties           | Cities | School Districts | Counties           | Cities      | School Districts | Counties           | Cities | School Districts |
|                    |        |                  | \$33,200,000       | \$2,250,000 |                  |                    |        |                  |

**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 1304 Second Engrossment authorizes the allocation of Oil and Gas Gross Production Tax revenues to certain cities. The bill also removes the population-based caps relative to the total amount of Oil and Gas Gross Production Tax revenue counties are allowed to receive.

**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 1304 Second Engrossment allocates \$375,000 annually to cities with a population greater than 7,500. This allocation is doubled for cities with a significant oil-related employment base. The impact of these city allocation provisions is estimated to be +\$1.125 million per year, or +\$2.250 million for the 2009-11 biennium. Dickinson is expected to receive two \$375,000 allocations and Williston is expected to receive two \$750,000 allocations in the 2009-11 biennium.

The county population-based caps are also removed in Section 1 of the bill. The cap removal provisions are expected increase total county revenues by an estimated \$33.2 million for the 2009-11 biennium. The bill changes the distribution among the counties, cities, and infrastructure funds; only the total increase is shown in 1A above.

The provisions of this bill are expected to reduce permanent oil tax trust fund revenues by an estimated \$35.450 million in the 2009-11 biennium.

**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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