

FISCAL NOTE

Requested by Legislative Council
03/19/2009

Amendment to: Reengrossed
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
Revenues				(\$26,800,000)		
Expenditures						
Appropriations						

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
			\$23,800,000	\$3,000,000				

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 with Senate Amendments changes the allocation of Oil and Gas Gross Production tax revenues.

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.*

HB 1304 Second Engrossment with Senate Amendments allocates \$500,000 annually to cities in oil-producing counties that have a population greater than 7,500. This allocation is doubled for cities with a significant oil-related employment base. These city allocation provisions are estimated to total \$1.5 million per year, or \$3 million for the 2009-11 biennium. Dickinson is expected to receive \$1 million and Williston is expected to receive \$2 million in the 2009-11 biennium.

The county population-based caps are also removed in the bill. The cap removal provisions are expected increase total county revenues by an estimated \$23.8 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 \$26.8 million in the 2009-11 biennium. These estimates are consistent with the February 2009 Legislative Council revised forecast.

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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