

FISCAL NOTE
Requested by Legislative Council
02/11/2011

Amendment to: HB 1458

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.*

| | 2009-2011 Biennium | | 2011-2013 Biennium | | 2013-2015 Biennium | |
|----------------|--------------------|-------------|--------------------|----------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | (\$35,000,000) | | |
| Expenditures | | | | | | |
| Appropriations | | | \$172,600,000 | | | |

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

| 2009-2011 Biennium | | | 2011-2013 Biennium | | | 2013-2015 Biennium | | |
|--------------------|--------|------------------|--------------------|--------------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | \$35,000,000 | | | | |

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).*

Engrossed HB 1458 establishes an energy infrastructure development fund and makes changes to 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.*

If enacted, Engrossed HB 1458 will re-allocate existing oil and gas gross production tax revenues. The bill creates an energy infrastructure development fund, which is expected to receive approximately \$80 to \$90 million in the 2011-13 biennium from revenues that would otherwise be deposited in the permanent oil tax trust fund. (Both of these are "other funds" above, and therefore, cancel out).

In Section 3, there are special allocations to cities meeting specific criteria that may result in additional city revenue of \$35 million for the 2011-13 biennium. This will result in a reduction in permanent oil tax trust fund revenue of \$35 million.

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.*

Engrossed HB 1458 will require substantial modifications to computer systems within the Office of State Treasurer. The expected costs of system changes are currently not known.

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.*

Section 9 is an appropriation from the general fund of \$172.5 million to the infrastucture development office.

Section 10 is an appropriation from the general fund of \$100,000 to Job Service North Dakota for upgrading employment data.

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| Phone Number: | 328-3402 | Date Prepared: | 02/12/2011 |