

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Revised
Amendment to: HB 1358

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(454,900,000)		
Expenditures						
Appropriations	\$49,380,000	\$103,000,000	\$136,365,000	\$108,000,000		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$292,900,000	
Cities		\$94,000,000	
School Districts		\$68,000,000	
Townships			

- 2 A. **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 1358 changes the distribution of the oil and gas gross production tax.

- 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 4 allocates additional revenue to hub cities and hub city school districts, and to oil-producing counties. The estimated additional amount is shown in 1B for hub cities - Williston, Dickinson, Minot and Mandan - and for producing counties. The amount shown for schools in 1B is the maximum allowed in the two different provisions of Section 4 (page 3 lines 26-29 and page 5 lines 7-11, engr. HB 1358). Not all of the school revenue may be utilized due to the requirements of Section 4. (The existing formula does allocate some revenue to schools, but that amount is not forecasted and has not been used to reduce these estimates of "new" distributions from the first 1% of gross production tax.) All of this additional revenue comes from the state "buckets" and ultimately from the strategic investment and improvements fund. Section 4 also increases the allocation to the impact grant fund by \$50 million for the 2013-15 biennium. This will result in a corresponding decrease in the strategic investment and improvements fund (both are "other funds" and for purposes of 1A, above, there is no net change in "other funds" from this provision). This fiscal note represent the first tier of distribution changes authorized in engrossed HB 1358; there are other allocations that are dependent upon actions and thresholds not readily known at this time.

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.*

There will be some programming costs for the State Treasurer to implement the distributions contained in this bill.

- 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.*

Sections 6 through 12 are appropriations; the total amounts are shown in 1A above.

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