

FISCAL NOTE
Requested by Legislative Council
01/12/2019

Bill/Resolution No.: SB 2223

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
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).*

Senate Bill 2223 creates the Health and Human Services Stabilization Fund and amends NDCC 57-51.1-07 to allocate 5% of oil extraction tax revenue into the fund and reduce the current percentage going into the state general fund share to 25%.

- 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 SB 2223 creates the Health and Human Services Stabilization Fund and sets the conditions regarding expenditures from the fund.

Section 2 of the bill amends section 57-51.1-07 to allocate 5% of oil extraction tax revenue to this newly created Health and Human Services Stabilization Fund and reduce the percentage going into the state's general fund share from 30% down to 25%.

Based on the current Legislative oil and gas forecast for the 2019-2021 biennium, this 5% allocation of oil extraction tax revenue would result in roughly \$80M being deposited into the Health and Human Services Stabilization Fund. Although the corresponding reduction is coming from the State's general fund share bucket, the actual reduction would be in the allocations to the Strategic Investment and Improvements Fund (SIIF). This is because amounts allocated to the State's general fund share bucket are combined with gross production tax revenue and used to fill various buckets. Under this same forecast of revenue, all general fund and statutorily capped funds prior to the final SIIF bucket will be filled. This means that the reduction in funds going into this bucket will cause SIIF to be reduced by the same \$80M.

There is no fiscal impact of this bill included above because the changes made by this bill would cause roughly \$80M to move from one special fund (SIIF) to the newly created special fund therefore resulting in a net zero change to the other funds columns shown above.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: (701)328-2643

Date Prepared: 01/14/2019