

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/07/2019**

Bill/Resolution No.: HB 1192

- 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).*

House Bill 1192 adds a definition of ordinary high water mark to N.D.C.C. ch. 61-33.1 and adds a section requiring the State Engineer maintain ordinary high water mark delineation guidelines as provided.

- 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.*

The proposed bill primarily impacts the guidelines maintained by the State Engineer for determining the ordinary high water mark (OHWM) for all sovereign lands. It is anticipated there will be an impact to the State Engineer and the State Water Commission in implementing OHWM delineation guidelines consistent with the requirements; however, without additional information from the State Engineer, the Department of Trust Lands cannot determine the extent of the fiscal impact.

Further, the implementation of the proposed bill would likely result in an acreage increase or decrease to the State's sovereign land ownership and would likely render results inconsistent with the acreage determination established by the Wenck Study established under N.D.C.C. ch. 61.33.1. Any such adjustment to the acreage of the State's sovereign land ownership will have a fiscal impact to the State, however, the Department is unable to provide an estimate 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.*

The Department cannot determine the fiscal impact on revenues without additional information from the State Engineer. The funds in the Strategic Investment and Improvements Fund (SIIF), which include the amounts generated from leasing the State's sovereign minerals, will likely be impacted if the State is required to return bonuses, rents and royalties to its lessees.

- 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.*

The Department cannot determine the impact on expenditures without more information from the State Engineer. The expenditures resulting from the implementation of HB 1192 will likely include costs associated with technical and legal expenditures, additional staffing, and the hiring of contractors as required by resulting acreage adjustments.

- 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.*

Continuing appropriation authority (N.D.C.C. §§ 15-05-19, 15-07-22) is used for pending authority to manage, preserve, and enhance the value of the SIIF; it is unknown if this same authority can be used for any expenditures relating to this bill.

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