

FISCAL NOTE
SENATE BILL NO. 2059
LC# 23.8078.01000
01/03/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						\$4,200,000
Expenditures						\$4,200,000
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - 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 2059 adjusts the fund balance in relation to the Abandoned Oil & Gas Well Plugging and Site Reclamation Fund from \$50 M to \$100 M in relation to the state share of the oil & gas revenues.

4 - Fiscal Impact Sections Detail

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.

Subdivision b of subsection 1 of section 57-51-15 NDCC and the suggested amendment stated in SB 2059 requires 4% of the amount available to be deposited into the Abandoned Oil & Gas Well Plugging and Site Reclamation Fund up to \$7.5 M per fiscal year and requiring the fund balance to be no more than \$100 M.

Currently, the fund balance is stated to be no more than \$50 M. Based on the current fund balance of \$20.5 M and

an estimated \$3.7 M remaining to be placed in the fund during the 2021-2023 Biennium, there would be no effect on the 2023-2025 Biennium as the fund would be below the \$50 M threshold. If all things remain constant in the formula, \$15 M may be allocated to the fund in the 2023-2025 Biennium bringing the fund balance to an estimated \$39.2 M.

Based on estimates of the fund balance after the 2023-2025 biennium of \$39.2 M, if the fund balance is not increased, the fund would reach the \$50 M limitation within FY 2027. In FY 2026 the estimated balance would be \$46.7 M after allocating \$7.5 M based on the current formula. In FY 2027, the allocation would be limited to \$3.3 M due to the limitation of the fund balance of \$50 M. By increasing the fund balance to \$100 M, the fund would receive roughly \$4.2 M more in funds during the 2025-2027 Biennium.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Senate Bill 2059 will increase special fund revenues for the Abandoned Oil & Gas Well Plugging and Site Reclamation Fund by \$4.2M and reduce fund revenues by the same depending on when the caps occur within the Oil & Gas formula, different funds would be affected. Based on the current formula, allocations to SIIF would be reduced

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Senate Bill 2059 increasing the fund balance would allow for additional funds to be expended from the Abandoned Oil & Gas Well Plugging and Site Reclamation Fund by \$4.2 M as stated in NDCC 38-08-04.5.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

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