

(Prepare in triplicate).

FISCAL NOTE

Prepared in regard to:

Senate Bill No. 2415  
(List bill or resolution and number, if available, or subject)

Amendment to: \_\_\_\_\_  
(List bill or resolution and number)

Requested by: Legislative Council Date of receipt: Jan. 27 19 77

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

The fiscal effect of S.B. 2415 will depend upon two factors: (1) the fee set by the Industrial Commission for drilling permits for oil, gas, and subsurface minerals, and (2) the number of drilling permits requested by industry, agencies, or individuals. Both of these factors must be estimated at this time.

I believe that the fee will undoubtedly be increased by the Industrial Commission. I have already recommended that the present twenty-five dollar fee be increased to one hundred dollars, an amount commensurate with that charged by some other states. An increase is also reasonable in view of the increased costs of processing the permits and field-checking the locations.

The number of permits issued will depend on the scope of mineral resource exploration and production activity. Approximately 250 permits were issued last year. At the same level of activity as last year, an increase of \$75 per permit would yield approximately \$19,000 to the General Fund next year, or approximately \$38,000 for the biennium. We anticipate at least as much drilling activity in the next biennium as that which took place in the past biennium.

In summary, we expect that passage of S.B. 2415 would have a positive effect upon the General Fund. Based on last year's record and the present trends in energy search, we estimate an increase of at least \$40,000 for the biennium.

Date of preparation: January 28, 1977

Signed

E. A. Noble

Typed Name

E. A. Noble

Department

North Dakota Geological Survey