

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: Senate Bill No. 2459 Amendment to: _____

Requested by: Legislative Council Date of Receipt: January 29, 1985

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: This legislation as written, could have a substantial revenue effect on leasing of state owned minerals. We have no method of determining an exact fiscal impact, however, we feel the negative impact would be substantial. It is suggested to the sponsors of this legislation, that an interim study be authorized, considering such aspects as:

- 1) A mineral title opinion (which would cost the mineral owner a minimum of \$1,000.00)
- 2) A standard lease form as to term, royalty and other major provisions.
- 3) A commission rate payable to the common schools for their services (this rate should be commensurate with the going private rate possibly 10%).
- 4) The necessary clearance and licenses for our department to auction private leases. (We would expect much opposition from the private area)
- 5) What effect this type sale may have on the budgeting process of major lease buyers. (Would the amount spent on private leases affect the amount left to spend on state leases)

State Fiscal Effect:

<u>1985-86</u>		<u>1986-87</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
Not Estimable		Not Estimable		Not Estimable	

County and City Fiscal Effect:

<u>1985-86</u>		<u>1986-87</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed R.E. Lommen

Typed Name R.E. Lommen, Land Commissioner

Date prepared: January 30, 1985

Department ND State Land Department