

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1361 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 1-17-89

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:

HB 1361 imposes a tax on severed mineral interests at a rate of 25¢ per acre or fraction of an acre with a minimum tax of \$2.00.

If HB 1361 is enacted, the counties would have to establish a tax list of severed mineral interest owners so that tax bills and/or notice of delinquent tax sales could be sent. The estimated cost of researching the deeds to create the tax list is \$6,500,000 to \$8,000,000.

There are 40.303 million acres of taxable land in North Dakota. Assuming that 20% to 50% have severed mineral interests that would be taxed under the provisions of HB 1361, revenue in FY-1990-91 is in the range of \$2,000,000 to \$5,000,000.

The cities would experience no fiscal impact.

State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
approx.		approx.		approx.	
-\$8,000,000		+\$2,000,000		-\$6,000,000	
to		to		to	
-\$6,500,000		+\$5,000,000		-\$1,500,000	

If additional space is needed, attach a supplemental sheet.

Signed Kathryn L. Strombeck

Typed Name Kathryn L. Strombeck

Date Prepared: 1-24-89

Department TAX

Handwritten initials: AAB