

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: SB 2287

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$89,000		\$64,000	
Appropriations			\$89,000		\$64,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

The measure reduces the length of time gas may be flared from one year down to ninety days, and amends the qualifications for an exemption to evidence of 50,000 cubic feet or less per day of hydrocarbon gas being flared.

- 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.*

This measure will require the Oil & Gas Division to docket cases for hearing to determine the volume and value of the flared gas. Decisions will also have to be rendered which will require additional staff time to prepare the same.

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.*

This measure has no revenue effects.

- 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.*

Expenditures for the 2015-2017 biennium will include \$24,000 for an administrative assistant to docket the cases for hearing and maintain paper work (210 cases backlog + 550 cases during the biennium @ 1 hour per case) and \$65,000 for a petroleum engineer to review each case and determine the proper volume and value of the gas flared (210 cases backlog + 550 cases during the biennium @ 1.5 hours per case). Expenditures for the 2017-2019 biennium will include \$17,000 for an administrative assistant to docket the cases for hearing and maintain paper work (550 cases during the biennium @ 1 hour per case) and \$47,000 for a petroleum engineer to review each case and determine the proper volume and value of the gas flared (550 cases during the biennium @ 1.5 hours per case).

- 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.*

The Oil & Gas Division expenditures as mentioned in 3B are general fund expenses, and are not included in the executive budget.

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