

FISCAL NOTE
Requested by Legislative Council
02/12/2015

Amendment to: SB 2343

- 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			\$349,000		\$174,500	
Appropriations			\$349,000		\$174,500	

- 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).*

This measure would require the Industrial Commission to report on all orders resulting in a fiscal effect in excess of five million dollars per biennium. This is retroactive to orders made after July 31, 2013.

- 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.*

Based on the most recent five months' dockets, economics show that any order that affects two or more Bakken wells will result in more than \$5 million per biennium fiscal impact. The Oil & Gas Division hears 50 cases per month and issues orders for them. Therefore, Section 1 of the measure would require the Oil & Gas Division to prepare 50 fiscal notes per month, or 1,200 fiscal notes per biennium. Section 2 of the measure would require the Oil & Gas Division to prepare 24 months of retroactive fiscal notes, thereby adding an additional 1,200 fiscal notes.

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.*

No revenue is anticipated at this time.

- 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.*

Preparation and reporting will require about one hour evaluating each order and preparing each fiscal note. Additional time will also be required to prepare the monthly fiscal impact report to either the Legislative Assembly or the Budget Section of Legislative Management. Therefore, expenditures for the 2015-2017 biennium are estimated at \$349,000 for two FTE budget specialists. Expenditures for the 2017-2019 biennium are estimated at \$174,500 for one FTE budget specialist.

- 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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