

FISCAL NOTE
Requested by Legislative Council
12/31/2020

Amendment to: HB 1080

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

HB 1080 is a bill to amend and reenact North Dakota Century Code Sections 15-05-10 and 47-16-39.1 amending language to reduce the maximum rate owed to the Board of University and School Lands by royalty payors for late oil and gas royalty payments.

- 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.*

HB 1080 reduces the maximum annual rate to be charged by the Board of University and School Lands for late oil and gas royalty payments.

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.*

HB 1080 reduces the maximum annual rate payment obligation on late oil and gas royalty payments.

The fiscal impact is unknown as the Department of Trust Lands cannot project the amount owed as a result of late payments.

- 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.*

HB 1080 would require the Department implement variable annual rates for late oil and gas royalty payments.

The current Land Management IT system does not allow the Department to automate the calculation of late payments using variable annual rates. Implementation of HB 1080 would require substantial additional time by staff to conduct manual calculations.

A new Information Technology system would be necessary to implement HB 1080 which would provide for automated calculations. Funding is being sought in SB 2013 for \$1.6 million to support an updated Land Management IT system.

- 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.*

Not applicable.

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