

FISCAL NOTE
SENATE BILL NO. 2323
LC# 25.0911.04000
02/18/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$40,000,000	\$(40,000,000)		
Expenditures				\$40,000,000		
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities		\$40,000,000	
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Senate Bill 2323 amends NDCC 57-51-15 adjusting the oil and gas distribution creating a new fund to receive allocations from the 1/5th share of the gross production tax and adjusts the general fund share buckets until 2037. Creates new distribution to hub cities from the Energy Impact Grant Fund.

4 - Fiscal Impact Sections Detail

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.

Section 1 adds language for fund balance limitations for the Abandoned Oil & Gas Well Plugging & Site Reclamation Fund of \$100 M through June 30, 2027 and \$50 M after June 30, 2027 and adds a new portion to the 1/5th gross production share allocation of \$20 M per fiscal year, \$40 M during the 2025-2027 biennium, to the Energy Impact Grant Fund under Section 2 of the Act through 2037.

Section 2 adds a new section to NDCC 57-51-15 in which it creates a new fund in the treasury and distribution to hub cities. The Energy Impact Grant Fund is created and will receive \$20 M per fiscal year, \$40 M during the 2025-2027 biennium, allocated from 1/5th share of gross production tax. There is created a new distribution to the hub cities for debt repayments.

Section 3 amends the state share of oil & gas taxes in relation to the "buckets". The bill increases the general fund portion by \$20 M for the first general fund bucket and \$20 M for the second general fund bucket for a total of \$40 M and reduces the first SIIF bucket by \$80 M.

Section 4 is an exemption that is usually included in Industrial Commission budget adjusting the caps of the ND outdoor Heritage Fund and Oil & Gas Research Fund. There would be no affect as these are the current caps for the 2023-2025 Biennium.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

SB2323 increase the general fund revenue \$40 M with the adjustments to the first and second General Fund buckets. The net effect of the changes reduces special funds by \$40 M. The special fund revenues for SIIF are reduced \$80 M by adjusting the state share of the buckets and special funds are increased \$40 M with the creation and allocation to the Energy Impact Grant Fund.

All aspects affect the timing of when the buckets will fill, but it is still anticipated that all infrastructure buckets will fill.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

SB 2323, Section 2 adds new section with a distribution to hub cities from the Energy Impact Grant Fund. The Energy Impact Grant Fund is a new fund that receives \$20 M allocations from 1/5th share each fiscal year, for a total of \$40 M a biennium to be distributed to hub cities. The distribution to the hub cities is to be used for debt repayments.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

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