

FISCAL NOTE
SENATE BILL NO. 2323
LC# 25.0911.06000
04/24/2025

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				\$21,000,000		
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		\$21,000,000	
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 as amended modifies NDCC 57-51-15 by reallocating \$10.5M per year from oil tax revenue to a new hub city debt relief pool for Williston, Dickinson, and Minot for infrastructure debt incurred from July 1, 2012, to December 31, 2025

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 to \$50 M after June 30, 2027 and adds a new section to the 4/5th gross production share allocation of \$10.25 M per fiscal year (7,350,000M from the state allocation and \$3,150,000M from the county portion) to a new hub city debt relief funding pool. This would total \$21 M per biennium. A reporting

requirement by each hub city for at least once per interim is required to the budget section regarding the use of the use of these funding received. Removes prior creation of Energy Impact Grant Fund.

Section 2 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 \$40 M.

Section 3 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 effect 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 special fund revenues for SIIF are reduced \$40 M by adjusting the state share of the buckets.

The additional allocation to the hub city debt relief funding pool will reduce available revenue for the General Fund and SIIF, which will prolong the time it takes the State Share of Oil & Gas taxes to fill in their respective order.

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 1 adds new section with a distribution to hub cities from the hub city debt relief funding pool \$10.5 M per fiscal year for total of \$21 M a biennium to be distributed to hub cities. The distribution to the hub cities is to be used for debt repayments incurred between July 1, 2012 and December 31, 2025 to address impact from oil and gas.

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.

Contact Information

Name: Nicole Krivoruchka

Agency: Office of State Treasurer

Telephone: 7013282646

Date Prepared: 04/23/2025