

FISCAL NOTE

Requested by Legislative Council
01/15/2003

Bill/Resolution No.: HB 1341

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$188,005)	(\$282,007)	(\$99,578)	(\$149,368)
Expenditures				\$21,938		\$22,596
Appropriations				\$21,938		\$22,596

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The aspect of the HB1341 that allows a royalty “holiday” causes revenues to be either deferred or permanently reduced.

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.*

General fund revenue will be reduced due to decreased oil and gas royalty collections in the Lands and Minerals fund. Special fund revenue will be reduced due to decreased oil and gas royalty collections in the permanent educational trusts managed by the Board of University and School Lands.

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.*

The increased expenditures result from the need for audits of the drilling costs.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The increase in appropriation reflects audit activity that would take place assuming 12 oil wells per biennium fell under the provisions of HB 1341. A .25 FTE position would be needed to conduct operator drilling cost audits.

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