

FISCAL NOTE

Requested by Legislative Council
02/05/2003

REVISION

Bill/Resolution No.: HB 1385

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						
Expenditures						
Appropriations						

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 fiscal impact of HB 1385 is difficult to estimate. This bill creates the same regulatory oversight of natural gas purchasers that the Industrial Commission now has over common purchasers of crude oil. To the best of our knowledge the Commission has never been petitioned to hear a case dealing with crude oil purchasers and arguably this legislation would create the same incentive to negotiate fair contracts in the case of gas contracts. However, there are hundreds of gas gathering contracts negotiated each year and if even 10% of them result in Oil and Gas Division hearings, it is estimated that the agency would need an additional 0.75 FTE to perform the required support staff work at \$67,700 salary plus benefits for the 2003-2005 biennium and each following biennium. In 1988 the Commission held 3 hearings dealing with just one gas gathering case.

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.*

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.*

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.*

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Agency: Industrial Commission
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