FISCAL NOTE
Requested by Legislative Council
02/06/2009

Amendment to: HB 1304

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				($33,200,000)		
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			$30,288,000	$2,912,000				

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1304 changes the allocation of Oil and Gas Gross Production Tax revenues. The bill also removes the population-based caps relative to the total amount of Oil and Gas Gross Production Tax revenue counties are allowed to receive.

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.*

Section 1 of Engrossed HB 1304 creates a city allocation of $208,000 after each $1 million annual distributional tier, to be allocated to cities with a population greater than 7,500. This allocation is doubled for cities with a significant oil-related employment base. The impact of these city allocation provisions is estimated to be +$1.456 million per year, or $2.912 million for the 2009-11 biennium. Dickinson is expected to receive one $208,000 allocation each year, and Williston is expected to receive three $416,000 allocations each year.

The county population-based caps are also removed in Section 1 of the bill. The cap removal provisions are expected increase total local revenues by an estimated net amount of $30.288 million($33.2 million total, less $2.912 million directed to cities with a population over 7500) for the 2009-11 biennium. These increased local revenues are required to be distributed to the county infrastructure fund, and further distributed as set forth in the bill.

These distributional provisions in the bill result in shifts among cities and among county general funds, infrastructure funds, and others. Only those impacts that cause a net change in total local revenue are estimated here. The two provisions that result in a net gain in local revenues - the special city allocation and the removal of the population-based caps - result in a corresponding decrease in permanent oil tax trust fund revenues totaling $33.2 million for the 2009-11 biennium.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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