FISCAL NOTE

Requested by Legislative Council
01/15/2009

Bill/Resolution No.: SB 2229

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				($7,700,000)		
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
			$7,700,000					

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).*

SB 2229 increases the amount of oil and gas gross production tax that gets transferred to the impact grant fund, and raises the county caps by $1 million each. The bill also increases the maximum amount of oil extraction and gross production tax revenue that goes to the oil and gas research fund.

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 SB 2229 increases the amount of revenue transferred to the oil and gas impact grant fund by $14 million per biennium. This is a $14 million increase in impact grant fund revenues and a corresponding $14 million decrease in permanent oil tax trust fund revenues for the 2009-11 biennium. Both are "other funds" and cancel each other out, and therefore, are not contained in part IA. above.

Also in Section 1 of SB 2229 are provisions to increase the county caps by $1 million relative to the maximum amount of annual gross production tax revenue producing counties receive. This provision is expected to increase county, city, and school revenues by an estimated $7.7 million during the 2009-11 biennium. (The entire estimated impact is shown as county revenue above). This provision will reduce permanent oil tax trust fund revenue by $7.7 million in the 2009-11 biennium.

Section 2 of SB 2229 increases by $2 million per biennium the total amount of oil tax revenue transferred to the Oil and Gas Research Fund. This provision will increase research fund revenues and decrease permanent oil tax trust fund revenues by $2 million each. These are both "other funds" and cancel each other out, and therefore, are not shown in 1A above.

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.*

If enacted, SB 2229 is expected to reduce permanent oil tax trust fund revenues by an esimated $23.7 million in the 2009-11 biennium. Impact fund, research fund, and county revenues are expected to increase by a combined amount totaling $23.7 million. These calculations are based on the November 2008 executive budget forecast.

All of the provisions of SB 2229 are 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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