

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: HB 1377

- 1 A. **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.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

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

Section 1 of HB 1377 removes the requirement that, when the unobligated balance of SIIF is greater than \$300M, 25% of all funds directed towards SIIF be redirected towards the Legacy Fund. Section 2 adds an additional \$515M to the property tax relief sustainability fund from O&G revenues.

- 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 HB 1377 removes the requirement that, when the unobligated balance of the Strategic Investment and Improvements Fund (SIIF) is greater than \$300M, 25% of all funds directed towards SIIF be redirected and deposited in the Legacy Fund. The exact impact of this change would be based on a number of factors including how much revenue is ultimately deposited into SIIF as well as what portion of the balance is obligated to various needs. For purposes of comparison, this section of code caused an additional \$147.7M to be deposited into the Legacy Fund instead of SIIF for the '11-'13 biennium. And through January 2015 of the '13-'15 biennium, \$179M has been deposited into the Legacy Fund from money initially targeted for SIIF.

Although the exact amount of funds being effected is difficult to determine, the net state fiscal impact of this section of the bill would be zero as it would be increasing the amount that is deposited into SIIF and decreasing the amount deposited into the Legacy Fund by the same amount and both are considered "other funds".

Section 2 of HB 1377 adjusts the amount of money to be deposited into the property tax relief sustainability fund from the state general fund share of oil and gas revenues. It increases the funding by \$515M. It also puts a cap on the amount of money that can be deposited into the disaster relief fund.

The net state fiscal impact of this portion of the bill would be zero as the increase in funding for the property tax relief sustainability fund would be offset by a decrease in the SIIF of the same amount. Being that both are considered "other funds", there would be no net fiscal impact.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 701-328-4637

Date Prepared: 01/23/2015