

FISCAL NOTE
Requested by Legislative Council
03/03/2015

Amendment to: HB 1358

- 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			\$1,218,200		\$1,218,200	
Appropriations			\$1,218,200		\$1,218,200	

- 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).*

This measure requires controls, inspections, and bonding for underground gathering pipelines; expands reclamation for pre 08/01/1983 damages; changes temporarily abandoned statuses and confidentiality of well data; and provides transfers for pipeline and salt removing technique studies.

- 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 requires the Oil & Gas division to oversee the proper filing of engineering designs, create standards of inspections, and designation of necessary monitoring devices to be installed on pipelines. Section 2 adds the use of AWPSRF funds for reclamation and restoration of pre 08/01/1983 oil and gas development damages. Section 3 requires the Oil & Gas division to administer a new category of bonds for gathering pipelines. Sections 4, 5, and 6 require substantial increases in processing of temporary abandoned well cases, confidential well status and spill reports, and pipeline information requests. Section 7 requires the Industrial Commission to analyze pipeline regulations, provide a report, adopt rules to improve pipeline safety, and contract for a pipeline leak detection project.

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.*

No revenue is anticipated at this time.

- 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.*

Expenditures per biennium include:

\$230,700 for one petroleum engineer to develop standards of inspections and technological devices as well as supervise the pipeline program;

\$208,000 for one RBDMS technician to update and maintain the database and gather pipeline records;
\$130,000 for one administration assistant to administer bonds;
\$649,500 for three engineering technicians (one per district) for pipeline inspection programs;
One petroleum engineer for reclamation and restoration of pre 08/01/1983 oil and gas development damages is included in HB1014 budget request approved by House; and
One GIS Engineering technician (100% of time) is included in HB1014 budget request approved by House.

- 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.*

The Oil & Gas Division expenditures for the increased costs in FTE expenses mentioned in 3B total \$1,218,200. The FTE costs are general fund expenses, and are not included in the executive budget.

Name: Robyn Loumer

Agency: Industrial Commission

Telephone: 701-328-8011

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