

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Bill/Resolution No.: SB 2374

- 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				\$200,000		\$200,000
Expenditures			\$1,443,000	\$20,000	\$1,443,000	\$20,000
Appropriations			\$1,443,000		\$1,443,000	

- 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 permits, inspection, and bonding for gas or liquid gathering pipelines.

- 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 this measure requires the Oil & Gas division to issue permits for gas or liquid gathering pipelines, oversee installation requirements on new pipelines, inspect pipelines, and administer an increased amount of bonds. Section 2 requires the Oil & Gas division to mitigate pipeline leaks.

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.*

It is estimated 2,000 permits per year at \$100/permit would bring in approximately \$200,000 in revenue. As per section 1 of this measure, any money collected under this section must be deposited in the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund (AWPSRF).

- 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 \$1,092,000 for 7 Engineering Technicians and one manager; \$130,000 for RBDMS technician to revise and maintain database; \$130,000 for Engineering Technician to inspect pipelines; \$91,000 for Administration Assistant to administer bonds; and \$20,000 in mitigation costs.

- 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 \$1,443,000. The FTE costs are general fund expenses, and are not included in the executive budget.

The mitigation expenditures of \$20,000 would be funded from AWPSRF, a continuing appropriation fund.

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