

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1268

- 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				\$33,220,000		\$10,235,000
Appropriations			\$0	\$33,220,000	\$0	\$10,235,000

- 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).*

Every fourth year the Land Board would be responsible for providing boundaries of sovereign lands to each county. The Land Board does not currently have this responsibility or information.

- 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.*

Under NDCC 61-33, the State Engineer manages and supervises the sovereign lands lying within the ordinary high watermark of navigable lakes and streams, and the Board of University and School Lands manages the oil and gas mineral interest beneath those lands.

The bill would require substantial expenditures for the initial surveys and technical delineation of the ordinary high water mark of navigable waters. The information would be used to create maps for county officials. The surveys would be updated every four years.

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.*

none

- 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.*

The State Engineer recently surveyed navigable waters at an average cost of \$9,270 per bank mile. While 118 bank miles along the Yellowstone and Missouri Rivers have been surveyed, the remaining 3,567 bank of the Mouse, Red, Sheyenne, James, Heart, Des Lacs, Knife, Cannonball, Pembina, Missouri and Bois de Sioux Rivers would need to be surveyed to determine the boundaries of sovereign lands for an estimated cost of \$33,000,000.

The perimeter of the shoreline of navigable lakes including Devils Lake, Painted Woods Lake, Lake Metigoshe, Upper Des Lacs, Sweetwater Lake and other navigable lakes is unknown, but a similar per mile cost would be involved in the assessment of the ordinary high watermarks of these bodies. This cost may exceed \$10,000,000.

The bank and shoreline estimate could increase if other lakes or streams are determined to be navigable.

An additional FTE to manage the contracts and reviews would also be needed.

The State Engineer's Office, and not the Land Board would be the appropriate entity to implement the act, and it would require appropriation and FTE authority for these functions.

- 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.*

An appropriation of \$33,220,000 for costs and salaries for the State Engineer in the 2015-2017 biennium would be needed. An estimated \$10,235,000 would be required in the 2017-2019 biennium.

Name: Lance Gaebe

Agency: Department of Trust Lands

Telephone: 701 328 2800

Date Prepared: 01/16/2015