

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Revised

Bill/Resolution No.: SB 2293

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(500,000)	\$1,917,000		
Expenditures				\$10,000		
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

SB 2293 creates an aquatic nuisance species program fund and transfers revenue into this new fund. The bill also imposes a surcharge on fishing and hunting licenses.

- 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 2 of SB 2293 transfers motor fuels tax revenue from the highway tax distribution fund to the aquatic nuisance species program fund based on a specified formula for each registered watercraft. The bill limits this transfer to \$750,000 per year, an amount that will likely be met through the application of the formula.

Section 3 of SB 2293 transfers sales tax revenue from the general fund to the aquatic nuisance species program fund. The bill specifies the transfer calculated as one-half of one percent of the value of watercraft sold during the year. Based on recent sales reported by boat dealers, we estimate this transfer could be approximately \$250,000 per year, if interpreted more broadly than defined in the bill. (NOTE: The taxable sales used in this estimate likely include sales other than boats --- marine parts, oil, life jackets, etc. Actual watercraft sales are not distinguishable from other taxable sales reported by the boat dealers. This fiscal impact is based on the entire taxable sales reported by boat dealers.)

Section 4 of SB 2293 invests \$15 million of the game and fish fund with the state investment board, the investment income from which will be deposited into the aquatic nuisance species program fund. The amount of this investment income transfer is estimated to be \$210,000 per year.

Section 5 of SB 2293 imposes a surcharge of \$3 on each fishing and waterfowl hunting license issued.

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.*

SB 2293, if enacted, is likely to result in transfers to the aquatic nuisance species program fund estimated to total \$2,420,000 in the 2019-21 biennium. Of these transfers, \$500,000 is from the state general fund, \$1.5 million is from the highway tax distribution fund, and \$420,000 is from the state investment board.

There will also be additional revenue raised by the surcharge in Section 5. According to statistics provided by the Game and Fish Department, this additional revenue is expected to total \$1.417 million in the 2019-21 biennium, as shown in 1A above. This revenue will be deposited in the aquatic nuisance species program fund.

(The 1/31/2019 revised fiscal note includes a \$500,000 transfer from the SGF to the aquatic species program fund now included in 1A above; however two other transfers are both from other special funds - to a special fund - and result in zero net change to special funds overall.)

- 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 Game and Fish Department reports they will incur one-time IT programming costs of \$10,000 in the 2019-21 biennium.

- 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.*

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