

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/22/2021**

Amendment to: SB 2319

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 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.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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 2319 third engrossment redefines wells located within the boundaries of a reservation to include certain exterior wells with laterals that penetrate the reservation.

- 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.*

SB 2319 third engrossment redefines wells located within the exterior boundaries of a reservation to include wells with a wellhead located outside the exterior boundaries of a reservation but containing horizontal laterals that penetrate the reservation, except for purposes of allocations among political subdivisions. These wells must be located in a county with a population less than 10,000 but (or?) greater than 12,000. This will enable any new tribal oil and gas agreements entered into after the effective date of the bill to share revenue with the tribe from the affected wells drilled outside the reservation.

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.*

If enacted, SB 2319 third engrossment may result in a new agreement between the State and Three Affiliated Tribes. If a new agreement with Three Affiliated Tribes occurs, it will occur, at the earliest, after July 1, 2023. It will require at least one new well drilled after July 31, 2021, situated within the reservation boundaries with laterals that extend to federal minerals outside the reservation boundaries. It is unknown if this will occur, and what the impact may be on the 2023-25 biennium. The fiscal impact of SB 2319 third engrossment is unknown.

- 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.*

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