

**FISCAL NOTE**  
**HOUSE BILL NO. 1279**  
**LC# 25.0895.02000**  
**04/02/2025**

**1 - 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.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$(21,350,000)	\$11,240,000	\$(42,700,000)	\$22,480,000
<b>Expenditures</b>						
<b>Appropriations</b>						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1279 extends the existing coal conversion facilities privilege tax and changes the allocation of revenue.

**4 - Fiscal Impact Sections Detail**

*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 3 extends the coal conversion facilities privilege tax exemption through June 30, 2029 and updates the exemption to fifty percent of the state share of the tax imposed instead of eighty five percent of the state share of the tax imposed. The state share remains at eighty five percent of the tax imposed.

Section 4 updates the allocation of revenue through June 30, 2029. Five percent of the state share of tax is allocated to the Lignite Research Fund, fifty percent of the state share of tax is allocated to the Legacy Fund, and

fifteen percent of the tax imposed continues to be allocated to the county.

If enacted, HB 1279 would reduce general fund revenues and increase legacy fund revenues in the 2025-2027 and 2027-2029 biennia. The allocation of revenue to the Lignite Research Fund and to the counties would remain unchanged.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please 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, HB 1279 is expected to reduce state general fund revenues by an estimated \$21,350,000 in the 2025-2027 biennium and \$42,700,000 in the 2027-2029 biennium. The Legacy Fund would see increased revenues of \$11,240,000 in the 2025-2027 biennium and \$22,480,000 in the 2027-2027 biennium. These estimations are contingent upon production activity remaining consistent with past production.

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please 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.*

## **Contact Information**

**Name:** Shailyn Hieb

**Agency:** Office of State Tax Commissioner

**Telephone:** 7013283007

**Date Prepared:** 04/02/2025