

FISCAL NOTE
Requested by Legislative Council
01/09/2009

Bill/Resolution No.: HB 1225

1A. 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.*

| | 2007-2009 Biennium | | 2009-2011 Biennium | | 2011-2013 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| 2007-2009 Biennium | | | 2009-2011 Biennium | | | 2011-2013 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Section 1 of HB 1225 removes the cap on gross production tax revenues being distributed to the oil and gas impact grant fund.

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.*

The fiscal impact of the removal of the cap on revenues that are distributed to the impact grant fund is an estimated increase in revenues to the impact grant fund of \$26.8 million (from \$6 million to \$32.8 million) during the 2009-2011 biennium. Additionally, revenues in the permanent oil tax trust fund are expected to decrease by \$26.8 million in the 2009-2011 biennium. NOTE: This impact is not shown in 1A above because both the impacts are to "other funds" and cancel each other out, with the net impact equal to zero.

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 this bill is determined to contain only "distributional changes", in accordance with NDCC Section 57-51.1-07.2, the fiscal impact could be a reduction in state general fund revenues totaling \$26.8 million for the 2009-2011 biennium, rather than a reduction in revenue to the permanent oil tax trust fund of \$26.8 million.

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 is also included in the executive budget or relates to a continuing appropriation.*

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| Phone Number: | 328-3402 | Date Prepared: | 01/09/2009 |