

FISCAL NOTE
Requested by Legislative Council
01/02/2009

Bill/Resolution No.: SB 2013

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				(\$21,700,000)		(\$21,700,000)
Expenditures				\$110,341		\$110,341
Appropriations				\$14,000,000		\$14,000,000

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
			\$12,700,000	\$2,300,000	\$900,000	\$12,700,000	\$2,300,000	\$900,000

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 7, paragraph 1 increases funding for the oil and gas impact grant program from \$6 million to \$20 million. Corresponding expenditures are shown above.

Section 7, paragraph 2 raises the cap levels for gross production taxes distributed to counties.

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 7, paragraph 1:

The \$14 million of additional funding for this program would result in a reduction of funds being deposited into the permanent oil tax trust fund. The additional funding includes \$110,341 of additional salaries and operating costs. Based on the past 5 biennia of grant rounds it is estimated that \$8.2 million of additional grants would be made to counties, cities and school districts, with the balance (\$5.7 million) going to townships, fire districts and other political subs. The actual amounts will vary depending on the amount and type of grant requests made.

Section 7, paragraph 2:

The estimated \$7.7 million of additional funding for counties will result in a \$7.7 million decrease in monies being deposited into the permanent oil tax trust fund. The revenues received by counties are further distributed to cities (20%) and school districts (35%) using a formula that weighs in enrollments and in some cases, seasonal employment.

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.*

Section 7, paragraph 1:

The \$14.0 million in additional funding for this program is money that would have been deposited into the permanent oil tax trust fund, and is included in the governor's executive budget.

Section 7, paragraph 2:

The estimated \$7.7 million of additional funding for counties will result in a \$7.7 million decrease in monies being deposited into the permanent oil tax trust fund. This impact has been included in the governor's executive budget.

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.*

Section 7, paragraph 1:

The \$110,341 in additional expenditures includes salary for one full-time FTE and \$8,177 of additional operating expenses, and is included in the governor's executive budget.

Section 7, paragraph 2:

No change in expenditures.

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.*

Section 7, paragraph 1:

The \$13,977,759 increase in appropriation is the amount of additional grants expected to be made during each biennium and is included in the governor's executive budget.

Section 7, paragraph 2:

No change in appropriations.

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