

FISCAL NOTE
Requested by Legislative Council
01/21/2011

Bill/Resolution No.: HB 1198

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.*

| | 2009-2011 Biennium | | 2011-2013 Biennium | | 2013-2015 Biennium | |
|----------------|--------------------|-------------|--------------------|---------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | (\$4,732,000) | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| 2009-2011 Biennium | | | 2011-2013 Biennium | | | 2013-2015 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | \$4,732,000 | | | | | |

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).*

HB 1198 allows oil-producing counties within the Fort Berthold Reservation to receive the full amount of oil and gas gross production tax revenue they would receive without the oil and gas tax revenue sharing agreement between the Tribal government and the State.

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.*

If enacted, Section 1 of HB 1198 is expected to reduce permanent oil tax trust fund revenues and increase county revenues by an estimated \$2.88 million from new production during the 2011-13 biennium.

Section 2 of HB 1198 allows a retroactive application of these "hold harmless" provisions for the amount the counties would have received in the current 2009-11 biennium had this bill been in place. This section is expected to reduce permanent oil tax trust fund revenues and increase county revenues by an additional \$1.852 million.

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.*

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.*

HB 1198 will require substantial modifications to computer systems within the Office of State Treasurer. The expected costs of system changes are currently not known.

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: | 01/31/2011 |