

FISCAL NOTE
Requested by Legislative Council
01/26/2011

Bill/Resolution No.: SB 2363

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				\$60,600,000		
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

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).*

SB 2363 requires an annual determination of stripper well status on an individual well basis.

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 2363, if enacted, would require all stripper wells and wells within stripper properties to individually qualify for stripper status each year. Based on the most recent 12-month period, there was approximately 6.3 million barrels produced from 235 stripper wells or wells within stripper properties that exceeded the average daily production limits in statute for the stripper well exemption. Under the provisions of SB 2363, this production would have become subject to the state's oil extraction tax.

Assuming no change in this production volume, the provisions of SB 2363 if enacted, could be expected to increase revenues to the legacy fund, the permanent oil tax trust fund, education funds, and the resources trust fund by an estimated \$60.6 million in the 2011-13 biennium.

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.*

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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