

2013 SENATE FINANCE AND TAXATION

SB 2351

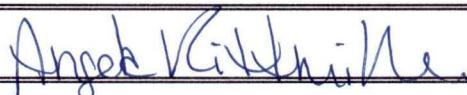
2013 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2351
2/5/2013
Job Number 18267

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 54-27.2-03 and 57-51.1-07.5 of the North Dakota Century Code, relating to the budget stabilization fund, the strategic investment and improvements fund, and oil and gas tax revenue deposits; to provide an effective date; and to declare an emergency.

Minutes:

Attachments

Chairman Cook opened the hearing on SB 2351.

Chairman Cook introduced SB 2351 and handed out attachment 1.

Vice Chairman Campbell - The major purpose of this is what? I didn't quite get it.

Chairman Cook - The major purpose is to reduce the general fund ending balance by \$300,000 and have that money in to the strategic investment fund rather than the general fund balance and quite frankly the major purpose is to have this issue in front of us if we need a real vehicle to deal with the oil revenue.

Senator Dotzenrod - The bottom of page 2 when we show the strategic investment fund, once that fund reaches a certain level, then as money is added to it, 25% of those additional revenues go into the legacy fund as I understand it. So if we did what you are suggesting would we be in effect, this general fund that we now have, this \$300 million, would we essentially be pushing about a ¼ of that in to the legacy fund by adopting this proposal?

Chairman Cook - That would not be in intent. I would not want that to happen.

There was no other testimony.

Chairman Cook closed the hearing on SB 2351.

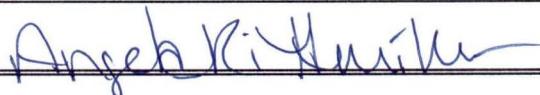
2013 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2351
2/13/2013
Job Number 18894

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 54-27.2-03 and 57-51.1-07.5 of the North Dakota Century Code, relating to the budget stabilization fund, the strategic investment and improvements fund, and oil and gas tax revenue deposits; to provide an effective date; and to declare an emergency.

Minutes:

Committee Work

Chairman Cook opened discussion on SB 2351.

Chairman Cook - It would allow a mechanism to put money back into those general funds if the general fund so needed it. Unfortunately it will have a \$300 million fiscal note; it would require the balanced budget to be \$300 million less than what Appropriations is going to want it to be. I could rewrite this and I have it rewritten so that it's still here and is still spendable money as they do their budget but if we had a same fiscal type year that we are having this biennium then that money would have come out of the general fund and would go into the strategic investment account. The end result of that would have been if we would have had it in place for this biennium is our general fund ending fund balance would have been \$300 million less and we would have had \$300 million more in this strategic investment fund. I don't think it would have changed what the governor had in his budget one bit for this biennium considering he went into the strategic investment fund. He left most of it there. The other reason is that it was a thought that wasn't quite to its final stages when the filing deadline came. We have a highway out there that probably should be four lane highway and the other thought I had is that instead of calling this the state general fund I would have called it the highway 85 four lane highway fund, start saving for the future with a targeted purpose. I would again just say for now that the best thing to do with this pet is to do the same thing as the other pet and that is give it a do not pass.

Senator Miller - So moved.

Seconded by **Senator Burckhard**.

Carried by **Chairman Cook**.

FISCAL NOTE
Requested by Legislative Council
01/29/2013

Bill/Resolution No.: SB 2351

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(300,000,000)	\$300,000,000		
Expenditures						
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 2351 re-allocates oil and gas tax revenues.

- 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 2 of SB 2351 re-allocates oil and gas tax revenues by shifting \$300 million from the state general fund to the strategic investment and improvements fund.

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.*

Name: Kathryn L. Strombeck
Agency: Office of Tax Commissioner
Telephone: 328-3402
Date Prepared: 01/31/2013

Date: 2-13-13
Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2351**

Senate Finance & Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerrefer to Appropriations Reconsider

Motion Made By Senator Miller Seconded By Senator Burkh

Total (Yes) 7 No 0

Absent

Floor Assignment Senator Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2351: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO NOT PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2351 was placed on the Eleventh order on the calendar.

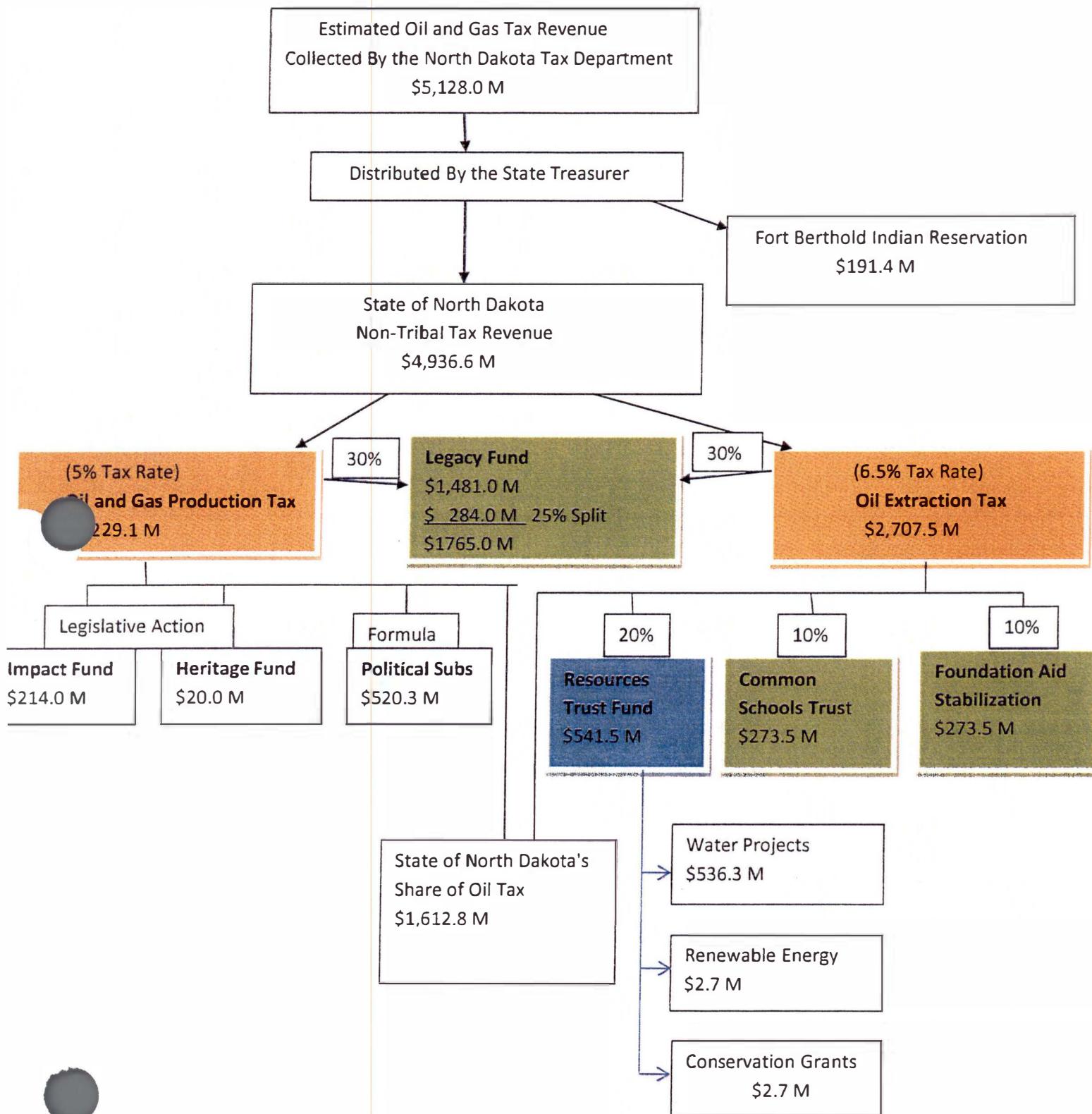
2013 TESTIMONY

SB 2351

NORTH DAKOTA OIL AND GAS REVENUE ALLOCATIONS

2013-15 Biennium

Governor's Budget



NORTH DAKOTA OIL AND GAS REVENUE ALLOCATIONS Continued

Governor's Budget

