

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/16/2007

**REVISION**

Bill/Resolution No.: HB 1171

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	(\$36,000)	\$0	(\$37,000)
<b>Expenditures</b>	\$0	\$0	\$0	\$358,000	\$0	\$373,000
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$358,000	\$0	(\$322,000)	\$373,000	\$0	(\$336,000)

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 1171 increases from 5 to 10% the service fee assessed against the Trust Funds managed by the Board of University and School Lands to be paid to Townships and Counties for maintenance and repairs of roads and bridges. The fee is based on the net revenues generated from grazing leases.

**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.*

Revenues to Counties are increased by the amount of the fee increase paid. Distributions received by the school districts are reduced by the amount applicable to the Common Schools Trust Fund grant lands, approximately 90% of the total fee, and the remaining 10% comes from the various university and institution Trust Funds.

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.*

Currently, the 5% service fee is expensed against the applicable Trust Fund. As a result, the amount of money available to distribute to Trust Fund beneficiaries is reduced by a like amount.

**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.*

For the 2007-09 biennium, distributions of \$66.8 million are included in the budget forecasts for the schools (K-12), and another \$4.4 million in distributions are budgeted for the universities and institutions. Distributions budgeted to the schools needs to be reduced by \$322,000 and by \$36,000 to the other Trust beneficiaries in HB1013, section 7. If the budgeted distribution amounts are not adjusted downward, then in order to meet the distribution numbers rental rates for grazing leases would have to be similarly increased.

**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.*

<b>Name:</b>	Gary D. Preszler	<b>Agency:</b>	Land Department
<b>Phone Number:</b>	328-2800	<b>Date Prepared:</b>	01/17/2007