

FISCAL NOTE

Requested by Legislative Council
01/11/2001

REVISION

Bill/Resolution No.: HB 1151

Amendment to:

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.*

| | 1999-2001 Biennium | | 2001-2003 Biennium | | 2003-2005 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | (\$323,000) | \$323,000 | (\$900,000) | \$900,000 | (\$500,000) | \$500,000 |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| 1999-2001 Biennium | | | 2001-2003 Biennium | | | 2003-2005 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1151 directs that interest earned on moneys in the Water Development Trust Fund (WDTF) must remain in the fund. Interest earned on money in the WDTF currently accrues to the General Fund. SB 2029 directs that the interest earned in the WDTF should be deposited in the Community Health Trust Fund. Therefore, SB 2029 and HB 1151 are in conflict. The amount of interest earned is highly dependent on the rate of expenditures out of the WDTF. The Executive Recommendation assumes that the Water Commission's operations expenditures (\$10.1 million) would be taken from the WDTF. If the Water Commission's operations are funded from the WDTF, the estimate of interest earned is \$900,000. If the Water Commission's operations are funded from the General Fund, the estimate of interest earned is \$1.4 million. The fiscal impact of HB 1151 all relates to the interest in the WDTF. The other section of HB 1151 does not have a fiscal impact.

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.*

All calculations were based on a 5.5 percent average interest rate and assumes the WDTF

would be drawn down to the \$3-\$5 million range in the 2001-2003 biennium before new bonds would be issued. Interest earned after July 1, 2003, would be less because of a lower average balance in the WDTF.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Dale Frink
Phone Number: 328-4941

Agency: Water Commission
Date 01/12/2001
Prepared: