

# FISCAL NOTE

**Bill #:** HB 485

**Title:** Revise coal board funding

**Primary**

**Sponsor:** Monica Lindeen

**Status:** House 2<sup>nd</sup> Reading

\_\_\_\_\_  
Sponsor signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chuck Swysgood, Budget Director

\_\_\_\_\_  
Date

## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$500,000	\$500,000
<b>Revenue:</b>		
General Fund	\$(1,016,013)	\$(1,014,334)
State Special Revenue – Coal board	\$1,016,013	\$1,014,334
<b>Net Impact on General Fund Balance:</b>	\$(1,016,013)	\$(1,014,334)

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. Beginning July 1, 2001, this bill would allocate 3% of coal severance tax receipts to a special revenue account for the coal board to make grants to local governments affected when a coal mine or coal using energy complex stops or reduces production. This bill would reduce the share of coal severance tax receipts going to the general fund from 26.79% to 23.79%.
2. Coal severance tax receipts are projected to be \$33.867 million in fiscal 2002 and \$33.811 million in fiscal 2003.
3. This bill would allocate \$1,016,013 of coal severance tax funds to the coal board in fiscal 2002 (3% of \$33.867 million) and \$1,014,334 in fiscal 2003 (3% of \$33.811 million). It would reduce revenue to the general fund by \$1,016,013 in fiscal 2002 and by \$1,014,334 in fiscal 2004.
4. This bill would not have significant administrative impacts on the Department of Revenue.

(continued)

5. HB485 provides an appropriation of \$1,000,000 of these fund effective July 1, 2001 for grants to eligible entities affected by declining coal production.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Grants	500,000	500,000
<u>Funding:</u>		
State Special Revenue (02)	500,000	500,000
<u>Revenues:</u>		
General Fund (01)	\$(1,016,013)	\$(1,014,334)
State Special Revenue -coal board	\$1,016,013	\$1,014,334
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$(1,016,013)	\$(1,014,334)
State Special Revenue - coal board	\$516,013	\$514,334

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill would provide funding for grants to local governments that were affected when a coalmine or coal-using energy facility stopped or reduced production.

TECHNICAL NOTES:

1. While the bill allocates over \$1 million per year of revenue to the coal board the appropriation only allows for expenditure of \$1 million in the next biennium.