



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

Bill # HB0292

Title: Extend funding to Coal Board

Primary Sponsor: Usher, Barry

Status: As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	(\$1,654,000)	(\$1,657,000)	(\$1,626,000)	(\$1,541,000)
State Special Revenue	\$1,654,000	\$1,657,000	\$1,626,000	\$1,541,000
<b>Net Impact-General Fund Balance:</b>	<u>(\$1,654,000)</u>	<u>(\$1,657,000)</u>	<u>(\$1,626,000)</u>	<u>(\$1,541,000)</u>

**Description of fiscal impact:** HB 292 increases the share of revenues the coal natural resource account receives of the coal severance tax from 2.9% to 5.8% for FY 2020 through FY 2023. The proposed bill reduces general fund revenue by approximately \$1.6 million per year. State special revenue increases by the same amount as the general fund reduction.

### FISCAL ANALYSIS


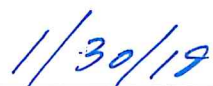

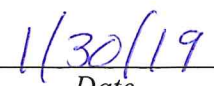
#### Assumptions:

- Under current law, the coal natural resource account receives 5.8% of coal severance tax revenue through FY 2019. After FY 2019, the share of coal severance tax revenue allocated to the coal natural resource account decreases to 2.9%.
- HB 292 changes the distribution of the coal severance tax revenue so that 5.8% of the revenue is deposited into the coal natural resource account through FY 2023. After FY 2023, the distribution of revenue to the coal natural resource account decreases to 2.9%.
- The HJ 2 revenue estimate indicates coal severance tax will generate \$57.04 million in revenue in FY 2020, \$57.15 million in FY 2021, \$56.09 million in FY 2022, and \$53.14 in FY 2023.

4. The present law 2.9% allocation of coal severance tax revenue to the coal natural resource account is estimated to be \$1.65 million in FY 2020, \$1.66 million in FY 2021, \$1.63 million in FY 2022, and \$1.54 million in FY 2023.
5. HB 292 will increase coal natural resource account revenue to \$3.31 million in FY 2020, \$3.32 million in FY 2021, \$3.25 million in FY 2022, and \$3.08 million in FY 2023.
6. All coal severance tax revenue that remains after distributions to specific state special revenue accounts is deposited into the general fund.
7. Increasing the proportion of coal severance tax revenue that is deposited into the coal natural resource account will reduce general fund revenue. Table 1 outlines the fiscal impact of HB 292.

Table 1					
Change in Revenue Caused by HB 292					
Fiscal Year	Total Coal Severance Tax Revenue	Coal Natural Resource Account Revenue			General Fund
		Current Law	HB 292	Change in Revenue	Change in Revenue
2020	\$57,043,000	\$1,654,247	\$3,308,494	\$1,654,000	(\$1,654,000)
2021	\$57,147,000	\$1,657,263	\$3,314,526	\$1,657,000	(\$1,657,000)
2022	\$56,086,000	\$1,626,494	\$3,252,988	\$1,626,000	(\$1,626,000)
2023	\$53,135,000	\$1,540,915	\$3,081,830	\$1,541,000	(\$1,541,000)

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	(\$1,654,000)	(\$1,657,000)	(\$1,626,000)	(\$1,541,000)
State Special Revenue (02)	<u>\$1,654,000</u>	<u>\$1,657,000</u>	<u>\$1,626,000</u>	<u>\$1,541,000</u>
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$1,654,000)	(\$1,657,000)	(\$1,626,000)	(\$1,541,000)
State Special Revenue (02)	<u>\$1,654,000</u>	<u>\$1,657,000</u>	<u>\$1,626,000</u>	<u>\$1,541,000</u>

Sponsor's Initials      Date      Budget Director's Initials      Date