

FISCAL NOTE

Source of revenue increase:

The fiscal impact is indeterminable because the total amount of assessments to be collected each year is unknown.

This bill would require the State Treasurer's Office to invest funds generated from assessments on operators of all oil and gas produced, sold, or transported from the operator's wells. Through June 30, 2030, the assessment is zero (0) mills on the dollar, so there would be no fiscal impact until after June 30, 2030.

Beginning July 1, 2030, the assessment could be up to five-tenths of one mill (\$0.0005) on the dollar. However, the fiscal impact after July 1, 2030 is indeterminable because the actual assessment amounts and the number of assessments to be levied are unknown.

Assumptions:

The State Treasurer's Office projects yields in FY27 through FY29 to be 2.54%, 2.53%, and 2.55% respectively for permanent funds and 3.52%, 3.62%, and 3.77% respectively for State Agency Pool funds.

Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 6.75%, while total returns for State Agency Pool funds are expected to be 3.50%. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized & unrealized gains.

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