

FISCAL NOTE

Requested by Legislative Council
01/17/2007

Bill/Resolution No.: HB 1518

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
Revenues				(\$1,181,249)		(\$3,543,750)
Expenditures						
Appropriations						

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

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).*

This legislation provides for a transfer of an amount equal to 75% of any profits that accrue as a result of BND's administration of the student loan programs. Fiscal impact would reduce BND projected earnings.

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.*

Section 1 has a fiscal impact to BND. 75% of Student Loan earnings for each year of the biennium equals \$11,250,000 or a total of \$22.5 million for the biennium. This would be a reduction of BND capital. Income over and above the \$60 million transfer to the General Fund referenced in SB 2015 would be used to grow capital. The projected capital is estimated to be \$215 million at the end of the 2007-2009 biennium. This additional transfer would limit capital growth to \$7.5 million versus \$30 million which was originally projected.

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.*

There would be a reduction of projected earnings for 2007-2009 biennium in the amount of \$1,181,249. There would be a reduction of projected earnings for 2009-2011 biennium in the amount of \$3,543,750.

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, 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.*

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