

FISCAL NOTE

Requested by Legislative Council
11/10/2011

Amendment to: SB 2371

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$158,907,870	\$450,500,000		
Appropriations			\$158,881,870	\$450,500,000		

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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).*

SB2371 is a comprehensive disaster relief package that provides funding for various state agencies and political subdivisions to address needs associated with historic 2011 flooding and the impact of rapid oil and gas development.

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.*

Sections 1, 7 and 8 establish a \$50 million Rebuilders Loan Program Fund at the BND to provide loans to residents impacted by flood disasters. BND will transfer up to \$30 million to the Rebuilders Loan Fund during the 2011-2013 biennium. Depending upon demand for the Rebuilders Loan Program funds, there could be up to another \$20.0 million transferred from the General Fund to the Rebuilders Loan Fund.

Section 2 allows for issuance of multi-trip truck permits for nondivisible loads. The change will be either revenue neutral or slightly increase permit revenue collections. Implementation costs of \$26,000 will be incurred by the Highway Patrol for IT programming and receipt books. No appropriation is provided in the bill for this expenditure.

Sections 3 and 4 increase the tax credit available for contributions to the housing incentive fund from 20% to 100% per tax year for tax years 2011 and 2012. It also increases the total available credits from \$4 million to \$15 million per biennium.

Section 5 increases the Department of Transportation's borrowing authority from \$120 million to \$200 million for emergency relief projects on the state highway system.

Section 9 appropriates \$10.0 million from the Disaster Relief Fund for the BND rebuilders loan program and for flood-impacted housing rehabilitation grants to cities and counties. \$10.0 million will be transferred from the General Fund to the Disaster Relief Fund. BND may access the funds to the extent necessary to provide loans to qualified homeowners. Funds can also be used by the Adjutant General for grants to qualified cities and counties for approved housing rehabilitation or replacement projects. The revenue impact to cities and counties cannot be determined at this time.

Sections 10, 11 and 12 establish a \$30.0 million General Fund Flood-Impacted Political Subdivision Infrastructure Development Grant program at the Department of Trust Lands. Up to \$110,000 may be used by the department for

program administration costs. The allocation of revenue between various types of political subdivisions cannot be determined at this time.

Section 13 provides \$235.0 million special fund authority for flood disaster related federal funds potentially available to the Commerce Department. If received, funds would be used for loans or grants to flood-impacted individuals, property acquisitions, and infrastructure development grants to flood-impacted communities.

Section 14 appropriates \$6.0 million from the disaster relief fund to the Department of Transportation for road grade raising projects on federal aid eligible roads in counties in which Devil's Lake is located.

Section 15 appropriates \$29.5 million from the disaster relief fund for state's matching costs for the 2011 Flood disaster.

Section 16 contingently appropriates \$5.0 million grants to political subdivisions to cover a portion of the local share required to match federal emergency relief funding for disasters that may occur during calendar year 2012. The allocation of revenue between various types of political subdivisions cannot be determined at this time.

Section 17 transfers \$48.7 million from the general fund to the disaster relief fund to pay for the required state match for 2011 flood disasters, the Rebuilders Loan Program, road grade raising projects and the contingent 2012 disaster costs.

Section 19 appropriates \$50.0 million from the resources trust fund for water projects.

Section 20 appropriates \$500,000 to the Adjutant General for providing flood-damaged school infrastructure grants to eligible school districts.

Section 21 authorizes 4.0 new FTE and appropriates \$681,870 from the general fund for additional highway patrol officers.

Section 22 provides that the Flex PACE program can be used to finance affordable multifamily housing units in oil and gas development areas of the state. BND will use available funds from PACE and other interest buy down loan funds (Ag PACE, Biofuels PACE, and Beginning Farmer) to support affordable multifamily housing units. This process will draw down the cash balance in the Beginning Farmer Revolving Fund which may require an increased appropriation for the next biennium.

Sections 23 and 24 transfer \$30.0 million from the general fund to the oil and gas impact grant fund, and appropriate those fund for grants, only if oil and gas tax revenue collections exceed projections by at least \$48.0 million by February 29, 2012. The allocation of revenue between various types of political subdivisions cannot be determined at this time.

Section 25 transfers \$5.0 million from the general fund to the oil and gas impact grant fund. Section 26 appropriates \$5.0 million from the oil and gas impact grant fund for distributions to eligible counties experiencing new oil and gas development activities.

Section 27 appropriates \$23.0 million from the general fund to the State Treasurer for transportation funding distributions to non-oil-producing counties, cities, and townships, if oil and gas tax revenue collections exceed projections by at least \$48.0 million by February 29, 2012. \$10,000 will be distributed to each township in a non-oil producing county, for a maximum distribution of \$14.5 million. \$6.8 million is to be distributed to cities and counties and \$1.7 million to townships.

Section 28 provides an appropriation of \$1.0 million from the general fund to the Industrial Commission for possible litigation against the EPA's efforts to regulate hydraulic fracturing.

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.*

The bill increases from \$4 million to \$15 million the potential General Fund impact for the 2011-13 biennium; however, the actual decrease, if any, in State General Fund revenues cannot be determined because the extent to which taxpayers will contribute to the Housing Incentive Fund is not known.

- 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.*

See 2B.

- 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.*

See 2B.

Name:	Pam Sharp	Agency:	OMB
Phone Number:	701-328-4606	Date Prepared:	11/10/2011