

FISCAL NOTE
Requested by Legislative Council
04/16/2019

Amendment to: HB 1320

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$0	\$0	\$0	\$0
Expenditures			\$0	\$0	\$0	\$500
Appropriations			\$0	\$0	\$0	\$15,000,000

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

House Bill 1320 relates to the Theodore Roosevelt presidential library and museum endowment fund; to provide a continuing appropriation; to provide for a transfer; to authorize a loan; and to declare an emergency.

- 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 allows for the creation and enactment of the Theodore Roosevelt Presidential Library and Museum Endowment Fund (Endowment) in the amount of \$50 million. The Board will hold and manage assets in the Endowment in trust for the purposes outlined in Section 1 of HB 1320. The Board of University and School Lands (Board) will invest the funds based upon a determined time horizon and risk tolerance.

The amount available for annual distribution to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to section 1 of House Bill 1320 will be based upon a distribution policy determined by the Governor. Assuming a long time-horizon and low risk tolerance, the Endowment can expect an annual rate of return of 6.3%.

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 amount available for annual distribution to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to section 1 of House Bill 1320 will be based upon a distribution policy determined by the Governor. Assuming a long time-horizon and low risk tolerance, the Endowment can expect an annual rate of return of 6.3%.

- 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.*

The Board will incur expenses in managing the Endowment. The Board must be reimbursed for these costs and expenses and may collect its reimbursement from income earned by assets in the Endowment. Based upon a current fee schedule that is used with the Indian Cultural Education Trust, the anticipated expenses will be \$500 per year.

Investment related expenses (investment manager fees, custodial expenses, and general consultant expenses) will be paid from income earned by assets in the Endowment.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 2 appropriates \$15 million from the general fund.

Section 3 authorizes a \$35 million loan from the Bank of North Dakota.

Name: Jodi Smith

Agency: Department of Trust Lands

Telephone: 701-328-2807

Date Prepared: 04/15/2019