

**FISCAL NOTE**  
**HOUSE BILL NO. 1185**  
**LC# 23.0567.02000**  
**02/07/2023**

**1 - 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.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

An act to amend and reenact section 15.1-36-02 to allow for loans affected by unanticipated construction inflation, provide an expiration date, and declare an emergency.

## 4 - Fiscal Impact Sections Detail

*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.*

Allowing for another loan type could potentially deplete the funding available for other school loan requests. Currently there is \$33 million available for loans in the Coal Development Trust Fund, with \$27 million in outstanding loans. With a minimum loan amount of \$5 million for unanticipated construction inflation, available funding could deplete faster than revenue coming into the Coal Development Trust Fund. In addition, HB 1185 does not provide for the term of the loans under the new program, consequently, we are not able to estimate loan income for the payments made each fiscal year.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The Coal Development Trust Fund revenue consists of a monthly receipt of Coal Severance Tax monies, principle and interest income from the various loan programs each fiscal year, and investment income. As of June 30, 2022 the fund balance for the Coal Development Trust was \$70.4 million.

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures of the Coal Development Trust Fund includes a monthly transfer to the Lignite Research Fund, investment expenditures and a transfer to the General Fund of income earned during the fiscal year. Currently, the General Fund receives approximately \$875,000 each fiscal year.

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please 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.*

The Board of University and School Lands manages the Coal Development Trust Fund according the Title X of the Constitution. Any lost revenues or additional costs will be managed and applied to the Fund.

## Contact Information

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**Date Prepared:** 01/10/2023