

(Please type in triplicate)

FISCAL NOTE

Prepared in regard to: Senate Bill No. 2374
(List bill or resolution and number, if available, or subject)

Amendment to: _____
(List bill or resolution and number)

Requested by: Legislative Council Date of receipt: February 2, 1981

In the following space note the fiscal effect in dollars of the legislative proposal:

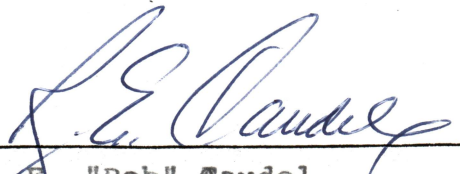
Narrative: It would be extremely difficult, if not impossible, to estimate the demand or the number of approvals for community sized ethanol production facilities. It does seem reasonable to assume that the cost of, or the loan to any plant large enough for efficient long term operation could easily approach two and one half million dollars.

Since the number of these facilities in North Dakota would never reach the number when an actuarial formula could be employed to decrease the amount of funds held in reserve for guaranty, twenty-five percent of each loan must be appropriated from the undivided profits of Bank of North Dakota. This could mean \$625,000 for each loan.

Despite the authority contained within the Bill to transfer funds from the undivided profits of the Bank of North Dakota each time a loan is funded, in order to maintain an adequate reserve fund, any transfer must be specifically approved by the Industrial Commission. Also, there is no assurance that there will be funds available in the undivided profits of the bank each time a loan is funded.

Fiscal Effect:

<u>1981-82</u>		<u>1982-83</u>		<u>Total Biennium</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
Not possible to estimate		Not possible to estimate		Not possible to estimate	

Signed 
Typed Name R. E. "Bob" Audel
Department Commercial & Correspondent Banking Department

Date Prepared: February 3, 1981

If additional space is needed, attach a supplementary sheet.