

(Return in triplicate)

FISCAL NOTE

REVISED

Bill/Resolution No.: _____ Amendment to: HB 1181

Requested by: Legislative Council Date of Receipt: _____

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

SEE ATTACHED

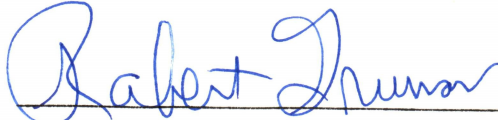
State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
	300.000		300.000		600.000

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Robert Gruman

Date Prepared: February 9, 1989

Department Bank of North Dakota

It is difficult to project the fiscal impact based on the adopted amendments because of the difficulty in determining the usage of the program and future cost of funds. The actual usage of the program will ultimately be determined by the originating lenders.

PRESENT STATISTICS (NORTH DAKOTA)

Currently there are about 14,000 farmers with a positive net worth of less than \$150,000. It is our assumption that the majority of this group carry some debt and could be potential candidates for this program.

ASSUMPTIONS - 1989-91 BIENNIUM

*Average \$ Outstanding (BND share)	\$5,000,000
Cost of Funds (8%) & Program Admin. (2%)	10% (Annually)
Loan Losses (Includes loss of interest and principal)	4% (Annually)

PROJECTED FISCAL IMPACT

Gross Income (Annual)	\$ 5 million x 8%	\$400,000
Less - Losses (principal & interest)		<u>200,000</u>
Adjusted Gross Income		\$200,000
Cost of Funds & Program Administration (10%)		<u>500,000</u>
Annual Loss		(\$300,000)
Biennium Loss	\$300,000 x 2	<u><u>(\$600,000)</u></u>

*Based on additional volume generated by increasing Bank of North Dakota share of total loan from 45M to 100,000 as called for in the amended bill. Does not include loans made prior to 1989-91 biennium.