

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1482 Amendment to: _____

Requested by Legislative Council Date of Request: 1-19-95

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

See attachment.

- 2. State fiscal effect in dollar amounts:

	<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:	0	0	(\$200,000)	0	(\$200,000)	0
Expenditures:						

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1993-95 biennium: None

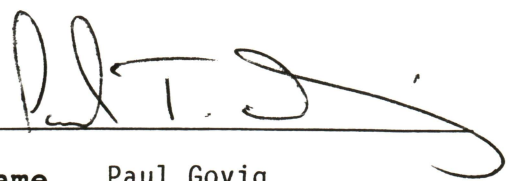
b. For the 1995-97 biennium: None

c. For the 1997-99 biennium: None

- 4. County and City fiscal effect in dollar amounts:

	<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>	
	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Paul Govig

Date Prepared: 1/20/95

Department Bank of North Dakota

Phone Number 328-5600

Narrative

The transfer of \$1,000,000 from the accumulated and undivided profits of the Bank of North Dakota would reduce the Bank's capital which has a direct impact on the future earnings of the Bank. As an example, BND earned approximately 18% on equity in 1994. Assuming a similar level in the future, the \$1,000,000 transfer would reduce the Bank's earnings by \$180,000 per year ($\$1,000,000 \times .18 = \$180,000$). The \$180,000 projection assumes BND fully leverages all available capital which typically does not occur. However, even at a 10% earnings rate, a reduction of \$1,000,000 in BND's capital would reduce earnings by \$100,000 per year ($\$1,000,000 \times .10 = \$100,000$). Since BND pays its earnings to the General Fund, payments to that fund would be reduced accordingly.