

FISCAL NOTE
Requested by Legislative Council
01/11/2021

Revised
 Bill/Resolution No.: HB 1187

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(2,016,492)		\$(6,248,419)	
Expenditures						
Appropriations				\$50,000,000		

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

HB 1187 creates the Rebuilders Permanent Loan Fund(RPLF) by diverting current loans and future loan repayments of the current Rebuilders Loan Program from General Fund repayment to the RPLF. The bill transfers \$50,000,000 from BND's SELF loan fund into the RPLF.

- 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.*

The Rebuilders Loan Program in NDCC 6-09-46 was created to provide low-interest loans to North Dakota residents affected by the floods in 2011. SB 2371 in the 2011 Legislature provided for a transfer of \$30 million from BND profits and \$20 million from the state's general fund. The structure provided for BND to receive repayment of its loans first with the general fund receiving repayment after full repayment of BND's \$30 million in loans.

As of 12/31/20, BND's portion of the outstanding loans in the Rebuilders loan program is \$4,985,666. It is anticipated BND's repayment will conclude in September of 2022. As passed in SB 2371 in the 2011 Legislative Session the General Fund contributed \$20 Million Dollars to the Rebuilders Loan Program. After accounting for losses, the current remaining balance of the General Fund portion is estimated to be \$15 million. Starting in October of 2022, repayments totaling \$2,016,492 for the 2021-2023 biennium would transition to the Rebuilders Permanent Loan Fund instead of the general fund. Repayments in the 2023-2025 biennium are projected to be \$6,248,419 that would also be placed in the RPLF.

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 fiscal effect noted in 1A represents the general fund forgoing repayments totaling \$7,002,158 in the 2021-23 and 2023-25 biennium as repayment of loans from the rebuilders program in NDCC 6-09-46 will be directed to the Rebuilders Permanent Loan Fund proposed in HB 1187.

Appropriations noted in 1A are a result of the transfer of loans and designated dollars to the BND Small Employee

Loan Fund (SELF) created during the Covid-19 Pandemic to provide low interest loans assisting in the economic recovery of the State. There is no note of this loan program or revenues in the Executive Budget.

- 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 proposed RPLF will continue to be under the administration of BND. While this program alone will not require a FTE, as the administered loan programs grow and expand, there will be additional FTE positions required at BND.

- 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.*

The appropriations totaling \$50 million are a transfer of the loans and designated dollars from Bank of North Dakota's capital during the Covid-19 Pandemic. This program is not noted in the Executive budget. HB 1187 proposes the RPLF have a continuing appropriation enabling Bank of North Dakota to create and deliver disaster loan programs from the RPLF which is a revolving loan fund administrated by BND.

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