

**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/19/2021**

Amendment to: Reengrossed HB 1475

- 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
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>			\$20,000,000			

- 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
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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 1475 creates the agriculture innovation fund to provide loans, interest rate buydowns and grants from the fund to support new or expanded value-added agriculture businesses.

- 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.*

Section 4 of HB 1475 transfers \$20,000,000 from the general fund to the agriculture innovation fund. The funds are appropriated, on a continuing basis, for loans, interest rate buydowns or grants and administrative costs pursuant to Section 1 of HB 1475. No more than 25% of the fund may be utilized for grants in a biennium.

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.*

There is no effect on revenues. The agriculture innovation fund proposed in HB 1475 is a revolving loan fund, administered by BND.

- 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 agriculture innovation fund will 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 appropriation of \$20,000,000 is a transfer from the general fund to the agriculture innovation fund. HB 1475 proposes the agriculture innovation fund have a continuing appropriation enabling Bank of North Dakota to develop policies for loans, interest rate buydowns or grants in consultation with the agriculture diversification and development committee. The agriculture innovation fund is a revolving loan fund administered by BND.

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