

FISCAL NOTE
HOUSE BILL NO. 1433
LC# 23.0765.02000
01/26/2023
Revised - 01/26/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB1433 requires DOCR sell land the Missouri River Correctional Center (minimum male security prison) is located and land the Youth Correctional Center (juveniles) / Heart River Correctional Center (women) are located for fair market value to build new facilities by locating land in Burleigh County.

4 - Fiscal Impact Sections Detail

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.

To estimate a complete fiscal impact, the DOCR would need funding and time to hire a land appraiser relating to Section 1 of HB1433. In addition, the cost and the availability of the land being purchased in Burleigh County is unknown. The DOCR does have an estimated amount for new construction of a 300 bed minimum security male facility (MRCC) for \$307 million and new construction for a 64 bed youth facility (YCC) of \$119 million. These

estimations do not include additional costs of required infrastructure to locate these facilities on the land purchased in Burleigh County. In addition, the 2023-25 executive recommendation includes a request for construction of a new 260 bed women's facility (HRCC) for \$161 million. All three facilities would need to be constructed in Burleigh County from the sale of land listed in HB1433. Relative to this bill, Rough Rider Industries (RRI) manages eight DOCR land lease contracts through which they receive rental income of approximately \$242,000 per biennium. Also, RRI is the sole provider of construction site sandbags that are used to hold road barriers and signage in place for road construction projects across North Dakota. RRI fills approximately 50,000 bags per construction season, which would result in a revenue loss of approximately \$100,000 per biennium. Because we do not have an appraiser for the DOCR land, and the cost or availability of land to purchase in Burleigh County is unknown as is the cost of additional infrastructure, the estimated loss of revenue in other funds is \$341,318 per biennium. In addition, increased expenditures and appropriation in general funds needed due to construction of three new facilities is \$587,283,451.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Of the DOCR land leases managed by Rough Rider Industries (RRI), this bill affects eight DOCR land lease contracts through which they receive rental income of approximately \$242,000 per biennium in special funds. Also, RRI is the sole provider of construction site sandbags that are used to hold road barriers and signage in place for road construction projects across North Dakota. RRI fills approximately 50,000 bags per construction season, which would result in a revenue loss of approximately \$100,000 per biennium.

Because we do not have an appraiser for our land, and the cost or availability of land to purchase in Burleigh County is unknown as is the cost of additional infrastructure, we can only estimate the loss of revenue in other funds (Rough Rider Industries) is \$341,318 per biennium per land lease agreements.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

During the 2021-23 biennium, a study provided costs associated for construction of a new 64 bed Youth Correctional Facility (YCC) located in Morton County of \$119,443,433 and the construction of a new 260 bed Women's facility (HRCC) in this same area for \$161 million. In addition, estimates for construction of a new 300 bed minimum security male facility (MRCC) to be located in Burleigh County of \$306,840,017.

Because we do not have an appraiser for our land, and the cost or availability of land to purchase in Burleigh County is unknown as is the cost of additional infrastructure, we can only estimate increased expenditures in general funds needed due to construction of three new facilities is \$587,283,451, which is listed in the study.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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 DOCR has estimated amounts from a study conducted during the 2021-23 biennium for construction of a new 360 bed minimum male security facility (MRCC) of \$307 million and construction of a new 64 bed youth facility (YCC) of \$119 million. In addition, the 2023-25 executive recommendation has a request for construction of a new 260 bed women's facility (HRCC) for \$161 million. All three facilities would need to be constructed in Burleigh County from the sale of land listed in HB1433. Relative to this bill, Rough Rider Industries (RRI) manages eight DOCR land lease contracts through which they receive rental income of approximately \$242,000 per biennium. Also, RRI is the sole provider of construction site sandbags that are used to hold road barriers and signage in place for road construction projects across North Dakota. RRI fills approximately 50,000 bags per construction season, which would result in a revenue loss of approximately \$100,000 per biennium.

Because we do not have an appraiser for our land, and the cost or availability of land to purchase in Burleigh County is unknown as is the cost of additional infrastructure, we can only estimate increased expenditures in general funds needed due to construction of three new facilities is \$587,283,451, which is listed in the study. Plus, we can only estimate the loss of revenue in other funds (Rough Rider Industries) is \$341,318 per biennium per land lease agreements and the sale of sandbags.

Contact Information

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