

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1014

In lieu of the amendments to Engrossed House Bill No. 1014, as printed on pages 995-999 of the Senate Journal, Engrossed House Bill No. 1014 is amended as follows:

Page 1, line 3, after "6-09.17" insert "and a new subsection to section 54-17-07.3"

Page 1, line 5, after "limitations" insert "and a housing finance agency program for residential housing in rural communities"

Page 1, line 7, after the semicolon insert "to provide legislative intent; to provide an appropriation;"

Page 1, line 8, after "appropriation" insert "; to provide an expiration date"

Page 3, line 27, replace "2,300,000" with "1,300,000"

Page 3, line 31, replace "5,275,000" with "4,275,000"

Page 4, line 2, replace "6,700,000" with "5,700,000"

Page 4, after line 12, insert:

"Bridging the gap loan program	1,900,000"
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Page 4, after line 13, insert:

"Total all funds	\$9,524,088"
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Page 4, line 14, replace "Total from" with "Less" and replace "\$7,624,088" with "7,624,088"

Page 4, after line 14, insert:

"Total general fund - Adjustments/enhancements	\$1,900,000"
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Page 4, line 15, replace "8,869,132" with "9,769,132"

Page 4, line 17, replace "20,489,931" with "21,389,931"

Page 5, line 14, replace "8,000,000" with "7,000,000"

Page 5, line 18, replace "14,550,000" with "13,550,000"

Page 5, line 20, replace "13,600,000" with "12,600,000"

Page 5, after line 31, insert:

"Bridging the gap loan program	1,900,000"
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Page 6, after line 2, insert:

"Total all funds \$43,434,102"

Page 6, line 3, replace "Total" with "Less" and replace "\$41,534,102" with "41,534,102"

Page 6, after line 3, insert:

"Total general fund \$1,900,000"

Page 6, line 4, replace "22,362,790" with "23,262,790"

Page 6, line 5, replace "166,850,430" with "172,150,430"

Page 6, line 6, replace "189,213,220" with "195,413,220"

Page 6, after line 27, insert:

"SECTION 7. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET. There is appropriated out of any moneys in the permanent oil tax trust fund, not otherwise appropriated, the sum of \$5,300,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of repaying the Bank of North Dakota for loans and accrued interest relating to funds borrowed during the 2005-07 biennium for centers of excellence, for the period beginning with the effective date of this Act and ending June 30, 2009."

Page 7, after line 22, insert:

"SECTION 13. LANDS AND MINERALS TRUST FUND TRANSFER TO THE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget may transfer special funds from the lands and minerals trust fund to the general fund in the amount of \$15,000,000.

SECTION 14. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the industrial commission shall transfer to the state general fund \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget. A transfer authorized may be made only to the extent the transfer does not reduce the Bank's capital structure below \$175,000,000.

SECTION 15. STUDENT LOAN TRUST FUND TRANSFER TO THE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$3,100,000 of earnings from the North Dakota student loan trust fund. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 16. TRANSFER. The state industrial commission shall transfer to the general fund in the state treasury the sum of \$5,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such

times as requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 8, line 10, replace "project" with "program" and after the semicolon insert "for litigation that may be necessary to protect and promote the continued development of lignite resources;"

Page 8, after line 15, insert:

"SECTION 19. LEGISLATIVE INTENT - BANK PROPERTY. It is the intent of the sixtieth legislative assembly that real estate property owned by the Bank of North Dakota at 1205-1215 west main street in Bismarck not be sold by the Bank of North Dakota during the 2007-09 biennium."

Page 10, after line 11, insert:

"SECTION 27. A new subsection to section 54-17-07.3 of the North Dakota Century Code is created and enacted as follows:

A program to assist in bridging the financing gap in new residential construction in cities with populations of fewer than twenty thousand if the cost of the new construction is at least one hundred ten percent of the appraised value of the new construction. The program must provide financial assistance in the form of a mortgage loan that is subject to payment forgiveness, in whole or in part, for new construction of multifamily housing and single-family housing, excluding mobile homes and farmsteads.

- a. The industrial commission shall establish the eligibility criteria and application procedure for the program which at a minimum must:
 - (1) Require a local match in the form of a grant from private or public funding or in-kind contributions which may not exceed forty-five percent of the gap between the cost of construction and the appraised value of the new construction;
 - (2) Provide that the local match may not include state funds;
 - (3) Require an application for assistance under this program to include evidence of community support for the new construction project; and
 - (4) Require that for assistance provided for single-family housing:
 - (a) The applicant's household income may not exceed the greater of one hundred forty percent of the statewide or county average, as determined by the industrial commission; and
 - (b) That the cost of the new construction may not exceed one hundred ninety thousand dollars.
- b. The maximum assistance provided under this program for single-family housing is the lesser of twenty thousand dollars or forty-five percent of the gap between the cost of the construction and the appraised value of the new construction.

- c. The maximum assistance provided under this program for multifamily housing is the lesser of fifty thousand dollars or forty-five percent of the gap between the cost of construction and the appraised value of the new construction.
- d. Unless otherwise provided through the appropriation process, no more than thirty percent of the funds appropriated for the biennium for assistance under this subsection may be for multifamily residences.
- e. Before August first of every even-numbered year, the housing finance agency shall report to the legislative council on the status of this program, including funds awarded, the state and local impact of the funds awarded, and program recommendations."

Page 10, after line 18, insert:

"SECTION 29. EXPIRATION DATE. Section 27 of this Act is effective through July 31, 2011, and after that date is ineffective."

Page 10, line 20, after the semicolon insert "the appropriation in section 7 of this Act for the office of management and budget;" and replace "15" with "21"

Page 10, line 21, remove "and" and replace "16" with "22"

Page 10, line 23, after "fund" insert "; and section 24 of this Act"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$0	\$0	\$5,300,000	\$5,300,000
Less estimated income			<u>5,300,000</u>	<u>5,300,000</u>
General fund	<u>\$0</u>	<u>\$0</u>	\$0	\$0
Industrial Commission				
Total all funds	\$58,870,922	\$59,155,922	\$0	\$59,155,922
Less estimated income	<u>50,108,132</u>	<u>50,393,132</u>		<u>50,393,132</u>
General fund	\$8,762,790	\$8,762,790	<u>\$0</u>	\$8,762,790
Bank of North Dakota				
Total all funds	\$48,242,359	\$51,742,359	(\$1,000,000)	\$50,742,359
Less estimated income	<u>38,142,359</u>	<u>38,142,359</u>		<u>38,142,359</u>
General fund	\$10,100,000	\$13,600,000	(\$1,000,000)	\$12,600,000
Housing Finance Agency				
Total all funds	\$41,534,102	\$41,534,102	\$1,900,000	\$43,434,102
Less estimated income	<u>41,534,102</u>	<u>41,534,102</u>		<u>41,534,102</u>
General fund	\$0	\$0	<u>\$1,900,000</u>	\$1,900,000
Mill and Elevator				
Total all funds	\$36,780,837	\$36,780,837	\$0	\$36,780,837
Less estimated income	<u>36,780,837</u>	<u>36,780,837</u>		<u>36,780,837</u>
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$185,428,220	\$189,213,220	\$6,200,000	\$195,413,220
Less estimated income	<u>166,565,430</u>	<u>166,850,430</u>	<u>5,300,000</u>	<u>172,150,430</u>
General fund	\$18,862,790	\$22,362,790	\$900,000	\$23,262,790

House Bill No. 1014 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Loan repayment	_____	_____	<u>\$5,300,000</u>	<u>\$5,300,000</u>
Total all funds	\$0	\$0	\$5,300,000	\$5,300,000
Less estimated income	_____	_____	<u>5,300,000</u>	<u>5,300,000</u>

General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Senate Changes

	PROVIDES FUNDING FOR CENTERS OF EXCELLENCE LOAN REPAYMENT	TOTAL SENATE CHANGES
Loan repayment	<u>\$5,300,000</u>	<u>\$5,300,000</u>
Total all funds	\$5,300,000	\$5,300,000
Less estimated income	<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

House Bill No. 1014 - Industrial Commission - Senate Action

This amendment declares Section 24 of this Act to be an emergency.

A section is added to provide a transfer from the lands and minerals trust fund to the general fund.

A section is added to provide a transfer from the Bank of North Dakota to the general fund.

A section is added to provide a transfer from the student loan trust fund to the general fund.

A section is added to provide an appropriation to the Office of Management and Budget from the permanent oil tax trust fund to repay the centers of excellence loan and interest.

A section is added to provide a transfer from the Mill and Elevator Association to the general fund.

House Bill No. 1014 - Bank of North Dakota - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$20,295,359	\$20,295,359		\$20,295,359
Operating expenses	13,297,000	13,297,000		13,297,000
Capital assets	1,900,000	1,900,000		1,900,000
Contingencies	1,700,000	1,700,000		1,700,000
PACE fund	4,500,000	8,000,000	(\$1,000,000)	7,000,000
Ag PACE fund	1,400,000	1,400,000		1,400,000
Beginning farmer revolving loan fund	950,000	950,000		950,000
Biofuels PACE fund	<u>4,200,000</u>	<u>4,200,000</u>	_____	<u>4,200,000</u>
Total all funds	\$48,242,359	\$51,742,359	(\$1,000,000)	\$50,742,359
Less estimated income	<u>38,142,359</u>	<u>38,142,359</u>	_____	<u>38,142,359</u>
General fund	\$10,100,000	\$13,600,000	(\$1,000,000)	\$12,600,000
FTE	176.50	176.50	0.00	176.50

Dept. 471 - Bank of North Dakota - Detail of Senate Changes

	REDUCES PACE FUNDING ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Capital assets		
Contingencies		
PACE fund	(\$1,000,000)	(\$1,000,000)
Ag PACE fund		
Beginning farmer revolving loan fund		
Biofuels PACE fund	_____	_____
Total all funds	(\$1,000,000)	(\$1,000,000)
Less estimated income	_____	_____

General fund	(\$1,000,000)	(\$1,000,000)
FTE	0.00	0.00

¹ This amendment reduces funding for the partnership in assisting community expansion (PACE) fund.

A section is added to provide legislative intent that the property at the new Bank location not be sold by the Bank during the 2007-09 biennium.

House Bill No. 1014 - Housing Finance Agency - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$4,701,524	\$4,701,524		\$4,701,524
Operating expenses	9,412,778	9,412,778		9,412,778
Grants	27,319,800	27,319,800		27,319,800
Housing Finance Agency contingencies	100,000	100,000		100,000
Bridging the gap loan program			<u>\$1,900,000</u>	<u>1,900,000</u>
Total all funds	\$41,534,102	\$41,534,102	\$1,900,000	\$43,434,102
Less estimated income	<u>41,534,102</u>	<u>41,534,102</u>		<u>41,534,102</u>
General fund	\$0	\$0	\$1,900,000	\$1,900,000
FTE	43.00	43.00	0.00	43.00

Dept. 473 - Housing Finance Agency - Detail of Senate Changes

	ADDS FUNDING FOR LOAN PROGRAM ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Housing Finance Agency contingencies		
Bridging the gap loan program	<u>\$1,900,000</u>	<u>\$1,900,000</u>
Total all funds	\$1,900,000	\$1,900,000
Less estimated income		
General fund	\$1,900,000	\$1,900,000
FTE	0.00	0.00

¹ This amendment provides funding for a loan program to bridge the financing gap in new residential construction in rural communities.

A section is added creating a new section of North Dakota Century Code that establishes a loan program to assist in bridging the financial gap in new residential construction in rural communities which expires on July 31, 2011.