

FISCAL NOTE
Requested by Legislative Council
01/09/2019

Bill/Resolution No.: HB 1350

- 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.*

| | 2017-2019 Biennium | | 2019-2021 Biennium | | 2021-2023 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

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

| | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 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).*

House Bill 1350 relates to a common schools revolving loan fund to provide a continuing appropriation.

- 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.*

House Bill 1350 creates the new Common Schools Revolving Loan Fund within the Common Schools Trust Fund and provides guidance into how loans will be made from the new Common Schools Revolving Loan Fund. HB 1350 does not provide for the transfer of any funds from the Common Schools Trust Fund to the Common Schools Revolving Loan Fund, thus there is no fiscal impact.

Because the bill does not provide for the transfer of funds, there is no fiscal impact. Even if this bill did provide for the transfer of funds to the new Common Schools Revolving Loan Fund, due to the nature of the permanent trust distribution formula in Article IX, Section 2, of the North Dakota Constitution there would be no impact on distributions from the Common Schools Trust Fund until the 2023-25 biennium.

Based on related bill House Concurrent Resolution 3008, it is estimated that approximately \$1 billion could be made available for loans. Once the full impact of HB 1350 is felt, it will reduce the growth of the Common Schools Trust Fund by approximately \$50 million per year. In time this will result in the reduction of distributions from the Common Schools Trust Fund by approximately \$10 million during the 2023-25 biennium, with that amount increasing by another \$10 million each biennium going forward in perpetuity.

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.*

- 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.*
- 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.*

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