

**Bank of North Dakota  
Budget No. 471  
House Bill Nos. 1014 and 1206, Senate Bill No. 2371**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2011-13 executive budget (bills as introduced)	176.50	\$9,400,000	\$46,853,155	\$56,253,155
<b>2011-13 legislative appropriations (including special session appropriations)</b>	<b>176.50</b>	<b>54,400,000</b>	<b>56,853,155</b>	<b>111,253,155</b>
Legislative increase (decrease) to executive budget	0.00	\$45,000,000	\$10,000,000	\$55,000,000
Legislative increase (decrease) to 2009-11 appropriations	0.00	\$43,300,000	\$12,535,881	\$55,835,881

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
2009-11 legislative appropriations	\$9,400,000	\$1,700,000	\$11,100,000
<b>2011-13 legislative appropriations (including special session appropriations)</b>	<b>9,400,000</b>	<b>45,000,000</b>	<b>54,400,000</b>
2011-13 legislative increase (decrease) to 2009-11 appropriations	\$0	\$43,300,000	\$43,300,000
Percentage increase (decrease) to 2009-11 appropriations	0.0%	2,547.1%	390.1%
2011-13 legislative increase (decrease) to executive budget	\$0	\$45,000,000	\$45,000,000
Percentage increase (decrease) to executive budget	0.0%	N/A	478.7%

**SUMMARY OF LEGISLATIVE CHANGES DURING THE NOVEMBER 2011 SPECIAL LEGISLATIVE SESSION**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Provided a contingent one-time transfer from the general fund to the rebuilders loan program fund at the Bank of North Dakota. The funds are to be made available if the \$30 million transferred to the rebuilders loan program from the Bank are fully obligated prior to June 30, 2013.		\$20,000,000		\$20,000,000
Total special session legislative changes	<u>0.00</u>	<u>\$20,000,000</u>	<u>\$0</u>	<u>\$20,000,000</u>

**Transfers**

Section 7 of Senate Bill No. 2371 provides for a transfer of \$30 million from the current and undivided profits of the Bank to the rebuilders loan program fund (see **Rebuilders Loan Program** section below).

The following schedule shows an analysis of the Bank's estimated capital structure for the 2011-13 biennium:

June 30, 2011, estimated capital level	\$359,660,000
Estimated 2011-13 biennium profits	145,500,000 <sup>1</sup>
2011-13 biennium transfers to health information technology-related funds per Sections 8 and 9 of Senate Bill No. 2332	(13,000,000) <sup>2</sup>
2011-13 biennium transfers to rebuilders loan program fund per Section 7 of Senate Bill No. 2371	(30,000,000)
Estimated capital on June 30, 2013	\$462,160,000

<sup>1</sup>Actual calendar year 2010 profits were \$61.9 million.

<sup>2</sup>House Bill No. 1021 provides for a transfer of \$5 million from the Bank profits to the health information technology planning loan fund or to the health information technology loan fund and amends Section 8 of Chapter 519 of the 2009 Session Laws to extend the \$8 million transfer provided for the 2009-11 biennium into the 2011-13 biennium.

### Rebuilders Loan Program

Section 1 of Senate Bill No. 2371 establishes a rebuilders loan program and loan fund at the Bank. The program is to provide loans to North Dakota residents affected by a presidentially declared disaster in the state in an area eligible for Federal Emergency Management Agency individual assistance for the purpose of the resident rebuilding the resident's flood-damaged home or purchasing a new home in the disaster-impacted community. Individual assistance designated counties include Barnes, Benson, Burleigh, McHenry, Morton, Ramsey, Renville, Richland, and Ward.

A loan may be made from the fund only to an individual residing in the state whose home was granted a reduction in 2011 in true and full valuation from the individual's property's pre-flood value by an assessment reduction pursuant to the Governor's Executive Order 2011-22 or by an abatement for flood-damaged property granted by the board of county commissioners.

An initial loan made to an individual is limited to the lesser of \$30,000 or actual documented damage not paid by flood insurance. The balance of the loan and any unpaid interest must be paid upon closing if the property is sold. If federal funds are made available for this program, an additional amount may be borrowed as determined by the Bank. A loan from the fund must have the interest rate fixed at 1 percent for a period of no more than 20 years. Principal and interest payments are deferred for the first 24 months of the loan.

Section 7 of Senate Bill No. 2371 provides for a transfer of \$30 million from the current and undivided profits of the Bank to the rebuilders loan program fund. Section 8 of Senate Bill No. 2371 provides for a contingent transfer of \$20 million from the general fund to the rebuilders loan program fund if the \$30 million transferred to the rebuilders loan program fund from the Bank is fully obligated prior to June 30, 2013.

Section 9 of Senate Bill No. 2371 appropriates \$10 million from the state disaster relief fund to the Adjutant General for providing:

- Additional rebuilders loan program funding to the Bank.
- Funding to political subdivisions for flood-impacted housing rehabilitation. Funding must be used as deemed most effective in that community to assist homeowners in rehabilitation or replacement of their flood-damaged homes and to retain homeowners in the community.

### Other Sections in Senate Bill No. 2371

Section 5 amends Section 4 of Chapter 12 of the 2011 Session Laws to increase the amount of funding that the Department of Transportation may borrow from the Bank during the 2011-13 biennium for emergency relief projects. The 62<sup>nd</sup> Legislative Assembly previously authorized the Department of Transportation to borrow up to \$120 million for emergency relief projects during the 2011-13 biennium. This section increases the amount of borrowing authority to \$200 million.

Section 22 provides that the Bank utilize the flex partnership in assisting community expansion program to assist in financing of affordable multifamily housing units for individuals in areas of North Dakota affected by oil and gas production and distribution.