

FISCAL NOTE
Requested by Legislative Council
02/22/2021

Amendment to: HB 1187

- 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 |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | \$50,000,000 | | |

- 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 |
|-------------------------|--------------------|--------------------|--------------------|
| 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).*

HB 1187 creates the Rebuilders Permanent Loan Fund (RPLF) by transferring the current Rebuilders Loan Program (RLP) and Small Employer Loan Fund (SELF) to the RPLF.

- 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.*

The Rebuilders Loan Program in NDCC 6-09-46 was created to provide low-interest loans to North Dakota residents affected by the floods in 2011. SB 2371 in the 2011 Legislature provided for a transfer of \$30 million from BND profits and \$20 million from the state's general fund. The structure provided for BND to receive repayment of its loans first with the general fund receiving repayment after full repayment of BND's \$30 million in loans.

As of 12/31/20, BND's portion of the outstanding loans in the Rebuilders loan program is \$4,985,666. It is anticipated BND's repayment will conclude in September of 2022. As passed in SB 2371 in the 2011 Legislative Session the General Fund contributed \$20 Million Dollars to the Rebuilders Loan Program. After accounting for losses, the current remaining balance of the General Fund portion is estimated to be \$15 million.

Repayments from the RLP will be used to replenish BND earnings and the General Fund. Repayments from the SELF will be available in the RPLF.

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 RPLF proposed in HB 1187 is a revolving loan fund, administered by BND. There is no note of this program or revenues 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.*

The proposed RPLF will continue to 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 appropriations totaling \$50 million are a transfer of the loans and designated dollars from Bank of North Dakota's capital during the Covid-19 Pandemic. This program is not noted in the Executive budget. HB 1187 proposes the RPLF have a continuing appropriation enabling Bank of North Dakota to create and deliver disaster loan programs from the RPLF which is a revolving loan fund administered by BND.

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