

FISCAL NOTE
Requested by Legislative Council
01/19/2021

Bill/Resolution No.: HB 1499

- 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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 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	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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 1499 restricts the ability of the Industrial Commission, in its various capacities—North Dakota Building Authority, Public Finance Authority and Housing Finance Agency, etc.—from issuing bonds on a timely basis without a public vote.

- 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 Industrial Commission entities provide low-cost financing for construction projects authorized by the Legislature, two-percent loans for water projects and low interest mortgages for first-time homebuyers. Bonds issued by the Public Finance Authority and Housing Finance Agency are not paid from State resources but are revenue bonds paid for by the users of their low interest programs.

The issuance of North Dakota Building Authority bonds must be authorized by the Legislature. Requiring a vote on what has already been approved by the Legislature would result in a delay in accessing the capital markets. For example, if the Legislature approves bonding for a capital construction project in 2021 the next statewide election would not be held until the following year unless a special election is held. This would increase the costs of the projects. These increased costs would be similar for the other Industrial Commission entities. Requiring the Public Finance Authority and Housing Finance Agency to seek voter authorization for bonds which are revenue supported may delay water projects, construction of multi-family housing and the purchase of homes.

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.*

This measure has no revenue effects.

- 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.*

No expenditures are anticipated at this time.

- 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.*

No appropriations are anticipated at this time.

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