

**Housing Finance Agency  
Budget No. 473  
Senate Bill No. 2014, House Bill No. 1016**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2013-15 executive budget (bills as introduced)	46.00	\$0	\$40,862,039	\$40,862,039
<b>2013-15 legislative appropriations</b>	<b>46.00</b>	<b>15,400,000</b>	<b>42,507,491</b>	<b>57,907,491</b>
Legislative increase (decrease) to executive budget	0.00	\$15,400,000	\$1,645,452	\$17,045,452
Legislative increase (decrease) to 2011-13 appropriations	0.00	\$15,400,000	\$3,917,445	\$19,317,445

**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>
2011-13 legislative appropriations	\$0	\$0	\$0
<b>2013-15 legislative appropriations</b>	<b>0</b>	<b>15,400,000</b>	<b>15,400,000</b>
2013-15 legislative increase (decrease) to 2011-13 appropriations	\$0	\$15,400,000	\$15,400,000
Percentage increase (decrease) to 2011-13 appropriations	N/A	N/A	N/A
2013-15 legislative increase (decrease) to executive budget	\$0	\$15,400,000	\$15,400,000
Percentage increase (decrease) to executive budget <sup>1</sup>	N/A	N/A	N/A

<sup>1</sup>The executive budget recommendation included a \$30 million transfer from the general fund to the housing incentive fund for the 2011-13 biennium. The Senate amended this transfer to occur in the 2013-15 biennium and the conference committee reduced the transfer from \$30 million to \$15.4 million.

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Housing Finance Agency is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. Consistent with the guidelines, a portion of salaries and wages funding from other funds (\$147,806) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying accrued annual leave and sick leave for eligible employees.

	<b>Major Items FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Adjusted funding for state employee salaries and benefits consistent with the legislative compensation package guidelines included in House Bill No. 1015. (The amount shown includes \$239,503 which was inadvertently added for salary adjustments.) (The correct adjustment should have been a reduction of \$94,051 of other funds.)			\$145,452	\$145,452

Provided for a transfer to the housing incentive fund		\$15,400,000		\$15,400,000
Provided funding from the state disaster relief fund for grants for flood-impacted housing assistance (House Bill No. 1016).			1,500,000	\$1,500,000
Total	<u>0.00</u>	<u>\$15,400,000</u>	<u>\$1,645,452</u>	<u>\$17,045,452</u>

#### FTE Changes

The Legislative Assembly did not change the executive recommendation, which included funding for 46 FTE positions, the same as the 2011-13 biennium.

#### One-Time Funding

In Section 2 of Senate Bill No. 2014, the Legislative Assembly identified \$15.4 million of one-time funding from the general fund for a transfer to the housing incentive fund for the 2013-15 biennium. This amount is not to be considered part of the agency's base budget for preparing the 2015-17 executive budget, and the Housing Finance Agency is to report to the Appropriations Committees during the 2015 legislative session on the use of this funding.

#### Housing Incentive Fund

The Legislative Assembly in 2011 Senate Bill No. 2210 created a special revolving housing incentive fund, provided a continuing appropriation to the Housing Finance Agency for disbursements from the fund, and authorized a tax credit for income and financial institution tax purposes for contributions to the fund, not to exceed an aggregate amount of \$4 million per biennium for all eligible contributors. Senate Bill No. 2371 (2011) increased the aggregate tax credit to \$15 million per biennium. The Legislative Assembly in 2013 Senate Bill No. 2014 provided for a one-time transfer of \$15.4 million from the general fund to the housing incentive fund. The bill created a new subsection to North Dakota Century Code Section 57-35.3-05 to provide for an income tax credit in an amount equal to any contribution to the housing incentive fund. The bill continues the housing incentive fund tax credit through the first two taxable years after December 31, 2012, and increases the aggregate amount of tax credits allowed to all eligible contributors from \$15 million to \$20 million per biennium. Similar provisions are also included in 2013 House Bill No. 1029.

#### Related Legislation

**Senate Bill No. 2079** - Authorizes the Housing Finance Agency to act as a wholesale servicing mortgage lender.