

**Housing Finance Agency
Budget No. 473
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	46.00	\$0	\$37,520,089	\$37,520,089
2015-17 base budget	46.00	0	41,007,491	41,007,491
Legislative increase (decrease) to base budget	0.00	\$0	(\$3,487,402)	(\$3,487,402)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	\$0	\$0	\$0
2013-15 legislative appropriations	0	15,400,000	15,400,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	\$0	(\$15,400,000)	(\$15,400,000)
Percentage increase (decrease) to 2013-15 appropriations	N/A	(100.0%)	(100.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE 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 Senate Bill No. 2015.

	Changes to Base Budget			Total
	FTE Positions	General Fund	Other Funds	
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			(\$273,502)	(\$273,502)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			277,212	277,212
Added funding for employee health insurance premiums to reflect a premium estimate of \$1,130.22 per month.			158,641	158,641
Reduced funding for federal Housing and Urban Development grants.			(2,214,445)	(2,214,445)
Reduced funding for housing development grant programs.			(1,287,825)	(1,287,825)
Adjusted funding for operations.			(147,483)	(147,483)
Total	0.00	\$0	(\$3,487,402)	(\$3,487,402)

FTE Changes

The Legislative Assembly approved 46 FTE positions for the Housing Finance Agency for the 2015-17 biennium, the same as the 2013-15 biennium.

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 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 limit to \$15 million per biennium.

Senate Bill No. 2014 (2013) 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 continued the housing incentive fund tax credit through the first two taxable years after December 31, 2012, and increased the aggregate amount of tax credits allowed to all eligible contributors from \$15 million to \$20 million per biennium. Similar provisions were also included in 2013 House Bill No. 1029.

House Bill No. 1014 (2015) continues the housing incentive fund into the 2015-17 biennium. Section 7 provides for a transfer of \$5 million from the Bank of North Dakota's profits to the housing incentive fund. Section 8 provides for a contingent transfer of \$5 million from the Bank's profits to the housing incentive fund if the Bank's profits exceed \$130 million during calendar year 2015. Section 17 limits the origination fee to 5 percent per award. Section 20 increases the funding available to the housing incentive fund from income tax credits from \$20 million to \$30 million. Section 28 provides an emergency clause for the \$5 million transfer in Section 7.

Other Sections in Bill

Unanticipated federal or other funds appropriation - Section 4 provides an appropriation of any additional income or unanticipated income from federal funds or other funds to the Housing Finance Agency for the 2015-17 biennium.

Exemption - Section 23 provides an exemption for 2013-15 biennium flood-impacted housing assistance funding from the state disaster relief fund to allow the funds to be used during the 2015-17 biennium.