

Sixty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2014

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the industrial  
2 commission and the agencies under the management of the industrial commission; to provide a  
3 continuing appropriation; to provide a contingent appropriation; to provide for transfers; ~~to~~  
4 ~~create and enact a new subsection to section 54-17-07.3, a new section to chapter 54-17, a~~  
5 ~~new section to chapter 57-38, and two new subdivisions to subsection 7 of section 57-38-30.3~~  
6 ~~of the North Dakota Century Code, relating to the essential service worker home ownership~~  
7 ~~program, housing incentive fund tax credits, and essential service worker home ownership fund~~  
8 ~~tax credits~~; to amend and reenact sections 15-62.1-07, and 28-25-11, subsection 3 of section  
9 54-17-07.3, and sections 54-17-40, 54-18-19, and 57-62-02 of the North Dakota Century Code,  
10 relating to loan guarantee fees, suspension of ~~occupational or professional~~ recreational licenses,  
11 the housing incentive fund, North Dakota mill and elevator profits, and coal development trust  
12 fund allocations; to repeal ~~section~~ sections 6-09-50, 54-17-40, 54-17-41, and 54-18-20 of the  
13 North Dakota Century Code and sections 16, 26, and 27 of chapter 14 of the 2015 Session  
14 Laws, relating to a financial center project, the housing incentive fund, housing incentive fund  
15 reports, and a gain-sharing program; to provide statements of legislative intent; to provide for a  
16 report to the legislative management; to provide exemptions; to provide an effective date; ~~and~~ to  
17 provide an expiration date; and to declare an emergency.

18 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

19 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
20 as may be necessary, are appropriated out of any moneys in the general fund in the state  
21 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
22 other income, to the industrial commission and agencies under its control for the purpose of  
23 defraying the expenses of the industrial commission and agencies under its control, for the  
24 biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

1 Subdivision 1.

2 INDUSTRIAL COMMISSION

3		Adjustments or		
4		Base Level	Enhancements	Appropriation
5	<del>Salaries and wages</del>	<del>\$22,132,229</del>	<del>(\$93,883)</del>	<del>\$22,038,346</del>
6	<del>Operating expenses</del>	<del>4,779,135</del>	<del>1,526,753</del>	<del>6,305,888</del>
7	<del>Grants - bond payments</del>	<del>15,040,829</del>	<del>(1,830,345)</del>	<del>13,210,484</del>
8	<del>Contingencies</del>	<del>0</del>	<del>1,254,462</del>	<del>1,254,462</del>
9	<del>Total all funds</del>	<del>\$41,952,193</del>	<del>\$856,987</del>	<del>\$42,809,180</del>
10	<del>Less estimated income</del>	<del>16,994,447</del>	<del>(649,789)</del>	<del>16,344,658</del>
11	<del>Total general fund</del>	<del>\$24,957,746</del>	<del>\$1,506,776</del>	<del>\$26,464,522</del>
12	<del>Full-time equivalent positions</del>	<del>116.75</del>	<del>(2.50)</del>	<del>114.25</del>
13	Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
14	Operating expenses	4,779,135	1,526,753	6,305,888
15	Grants - bond payments	15,040,829	(1,830,345)	13,210,484
16	Contingencies	0	221,737	221,737
17	Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
18	Less estimated income	16,994,447	(651,241)	16,343,206
19	Total general fund	\$24,957,746	\$451,241	\$25,408,987
20	Full-time equivalent positions	116.75	(6.50)	110.25

21 Subdivision 2.

22 BANK OF NORTH DAKOTA - OPERATIONS

23		Adjustments or		
24		Base Level	Enhancements	Appropriation
25	<del>Bank of North Dakota operations</del>	<del>\$58,542,301</del>	<del>(\$15,357)</del>	<del>\$58,526,944</del>
26	<del>Capital assets</del>	<del>745,000</del>	<del>65,000</del>	<del>810,000</del>
27	<del>Total special funds</del>	<del>\$59,287,301</del>	<del>\$49,643</del>	<del>\$59,336,944</del>
28	Bank of North Dakota operations	\$58,542,301	(\$253,097)	\$58,289,204
29	Capital assets	745,000	65,000	810,000
30	Total special funds	\$59,287,301	(\$188,097)	\$59,099,204
31	Full-time equivalent positions	181.50	0.00	181.50

1 Subdivision 3.

2 MILL AND ELEVATOR ASSOCIATION

3		Adjustments or		
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	<del>Salaries and wages</del>	<del>\$36,278,898</del>	<del>\$3,061,347</del>	<del>\$39,340,245</del>
6	<del>Operating expenses</del>	<del>27,327,000</del>	<del>868,000</del>	<del>28,195,000</del>
7	<del>Contingencies</del>	<del>500,000</del>	<del>0</del>	<del>500,000</del>
8	<del>Agriculture promotion</del>	<del>210,000</del>	<del>0</del>	<del>210,000</del>
9	<del>Total from mill and elevator fund</del>	<del>\$64,315,898</del>	<del>\$3,929,347</del>	<del>\$68,245,245</del>
10	Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
11	Operating expenses	27,327,000	868,000	28,195,000
12	Contingencies	500,000	0	500,000
13	Agriculture promotion	210,000	0	210,000
14	Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519
15	Full-time equivalent positions	147.00	6.00	153.00

16 Subdivision 4.

17 HOUSING FINANCE AGENCY

18		Adjustments or		
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	<del>Salaries and wages</del>	<del>\$7,745,034</del>	<del>\$156,353</del>	<del>\$7,901,387</del>
21	<del>Operating expenses</del>	<del>3,744,275</del>	<del>999,080</del>	<del>4,743,355</del>
22	<del>Grants</del>	<del>25,930,780</del>	<del>5,864,048</del>	<del>31,794,828</del>
23	<del>Housing finance agency contingencies</del>	<del>100,000</del>	<del>0</del>	<del>100,000</del>
24	<del>Total special funds</del>	<del>\$37,520,089</del>	<del>\$7,019,481</del>	<del>\$44,539,570</del>
25	<del>Full-time equivalent positions</del>	<del>46.00</del>	<del>0.00</del>	<del>46.00</del>
26	Salaries and wages	\$7,745,034	(\$107,655)	\$7,637,379
27	Operating expenses	3,744,275	999,080	4,743,355
28	Grants	25,930,780	5,864,048	31,794,828
29	Housing finance agency contingencies	100,000	0	100,000
30	Total special funds	\$37,520,089	\$6,755,473	\$44,275,562
31	Full-time equivalent positions	46.00	(4.00)	42.00

1 Subdivision 5.

2 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5 <del>Grand total general fund</del>	<del>\$24,957,746</del>	<del>\$1,506,776</del>	<del>\$26,464,522</del>
6 <del>Grand total special funds</del>	<del>178,117,735</del>	<del>10,348,682</del>	<del>188,466,417</del>
7 <del>Grand total all funds</del>	<del>\$203,075,481</del>	<del>\$11,855,458</del>	<del>\$214,930,939</del>
8 <u>Grand total general fund</u>	<u>\$24,957,746</u>	<u>\$451,241</u>	<u>\$25,408,987</u>
9 <u>Grand total special funds</u>	<u>178,117,735</u>	<u>9,813,756</u>	<u>187,931,491</u>
10 <u>Grand total all funds</u>	<u>\$203,075,481</u>	<u>\$10,264,997</u>	<u>\$213,340,478</u>

11 **SECTION 2. HEALTH INSURANCE INCREASE.** Section 1 of this Act includes the sum of  
 12 \$1,319,354, of which \$292,009 is from the general fund, for increases in employee health  
 13 insurance premiums from \$1,130 to \$1,241 per month.

14 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**  
 15 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 16 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium  
 17 and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of  
 18 this Act:

	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
20	Litigation	\$2,500,000	\$1,000,000
21	Lignite research council grant	4,672,500	0
22	Aerial photography	104,143	0
23	Contract analysis	125,000	0
24	Digital conversion	25,000	0
25	Migration to RBDMS.net	250,000	0
26	All-terrain vehicles	41,500	0
27	Core library expansion	13,625,322	0
28	Financial center project	<u>17,000,000</u>	<u>0</u>
29	Total all funds	\$38,343,465	\$1,000,000
30	Total special funds	<u>30,625,322</u>	<u>1,000,000</u>
31	Total general fund	\$7,718,143	\$0

1 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for  
2 the 2019-21 biennium. The industrial commission shall report to the appropriations committees  
3 of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium  
4 beginning July 1, 2017, and ending June 30, 2019.

5 **SECTION 4. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$13,210,484  
6 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be  
7 paid from the following funding sources during the biennium beginning July 1, 2017, and ending  
8 June 30, 2019:

9 North Dakota university system	\$6,605,326
10 North Dakota university system - energy conservation projects	491,500
11 Department of corrections and rehabilitation	1,158,679
12 Department of corrections and rehabilitation - energy conservation projects	16,285
13 State department of health	636,877
14 Job service North Dakota	428,100
15 Office of management and budget	665,411
16 Attorney general's office	766,012
17 State historical society	1,392,629
18 Parks and recreation department	73,642
19 Research and extension service	571,520
20 Veterans' home	<u>404,503</u>
21 Total	\$13,210,484

22 **SECTION 5. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.**

23 In addition to the amount appropriated to the housing finance agency in subdivision 4 of section  
24 1 of this Act, there is appropriated any additional income or unanticipated income from federal  
25 or other funds which may become available to the agency for the biennium beginning July 1,  
26 2017, and ending June 30, 2019. The housing finance agency shall notify the office of  
27 management and budget and the legislative council of any additional income or unanticipated  
28 income that becomes available to the agency.

29 **SECTION 6. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY**  
30 **COMMISSION APPROVAL.** In addition to the amount appropriated to the industrial commission  
31 in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the

1 emergency commission, funds that may become available to the commission from bonds  
2 authorized by law to be issued by the industrial commission for the biennium beginning July 1,  
3 2017, and ending June 30, 2019.

4 **SECTION 7. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING.**

5 The amount of ~~\$1,254,462~~\$221,737 from the general fund and ~~six~~two full-time equivalent  
6 positions included in subdivision 1 of section 1 of this Act may be spent only in accordance with  
7 the provisions of this section. The industrial commission shall notify the office of management  
8 and budget and the legislative council when the total number of wells capable of production and  
9 injection exceeds ~~the thresholds identified in this section. Of the \$1,254,462 and the six full-time~~  
10 ~~equivalent positions in this section, the industrial commission may spend funding and hire~~  
11 ~~full-time equivalent positions, as follows:~~

12 ~~1. Subject to budget section approval, \$418,154 from the contingencies line item and two~~  
13 ~~full-time equivalent positions if the total number of wells capable of production and~~  
14 ~~injection exceeds eighteen thousand two hundred.~~

15 ~~2. In addition to the funding and full-time equivalent positions authorized in~~  
16 ~~subsection 1 and subject to budget section approval, \$836,308 from the contingencies~~  
17 ~~line item and four full-time equivalent positions if the total number of wells capable of~~  
18 ~~production and injection exceeds nineteen thousand four hundred wells~~eighteen  
19 thousand two hundred. Subject to budget section approval, the industrial commission  
20 may spend \$221,737 from the contingencies line item and may hire two full-time  
21 equivalent positions, one of which may be hired after May 31, 2018, and one of which  
22 may be hired after November 30, 2018, if the total number of wells capable of  
23 production and injection exceeds eighteen thousand two hundred.

24 **SECTION 8. TRANSFER - ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL**

25 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of ~~\$1,103,986~~\$1,103,779, or  
26 so much of the sum as may be necessary, included in the special funds appropriation line item  
27 in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of  
28 the industrial commission or entities directed to make payments to the industrial commission  
29 fund for administrative services rendered by the commission. Transfers must be made during  
30 the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the commission.

1 Transfers from the student loan trust fund must be made to the extent permitted by sections  
2 54-17-24 and 54-17-25.

3 **SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND.**

4 The industrial commission shall transfer to the general fund \$140,000,000 from the current  
5 earnings and the accumulated undivided profits of the Bank of North Dakota during the  
6 biennium beginning July 1, 2017, and ending June 30, 2019. The moneys must be transferred  
7 in the amounts and at the times requested by the director of the office of management and  
8 budget after consultation with the Bank of North Dakota president.

9 **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING**  
10 **COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of \$16,000,000,  
11 or so much of the sum as may be necessary, from the Bank's current earnings and undivided  
12 profits to the partnership in assisting community expansion fund during the biennium beginning  
13 July 1, 2017, and ending June 30, 2019.

14 **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE**

15 **PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall  
16 transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's  
17 current earnings and undivided profits to the agriculture partnership in assisting community  
18 expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

19 **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN**  
20 **ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of  
21 \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and  
22 undivided profits to the biofuels partnership in assisting community expansion fund during the  
23 biennium beginning July 1, 2017, and ending June 30, 2019.

24 **SECTION 13. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER**

25 **REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer the sum of \$6,000,000, or  
26 so much of the sum as may be necessary, from the Bank's current earnings and undivided  
27 profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2017,  
28 and ending June 30, 2019.

29 **SECTION 14. TRANSFER - BANK OF NORTH DAKOTA - SCHOOL CONSTRUCTION**

30 **LOAN INTEREST RATE BUYDOWNS.** The Bank of North Dakota shall transfer the sum of  
31 \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and

1 undivided profits for interest rate buydowns on outstanding school construction loans under  
2 section 15.1-36-06 during the biennium beginning July 1, 2017, and ending June 30, 2019.

3 **SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**  
4 **LIGNITE RESEARCH FUND.** The department of trust lands shall transfer the sum of  
5 \$3,000,000 from the strategic investment and improvements fund to the lignite research fund  
6 during the biennium beginning July 1, 2017, and ending June 30, 2019. The funding must be  
7 used to provide grants for advanced energy technology research and development. Grant  
8 recipients must provide matching funds.

9 **SECTION 16. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**  
10 **FUNDS.** The estimated income line item in section 1 of this Act includes \$1,000,000 from the  
11 strategic investment and improvements fund for litigation expenses.

12 **SECTION 17. AMENDMENT.** Section 15-62.1-07 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **15-62.1-07. Fees for insurance and other reasonable costs.**

15 The agency is hereby authorized to may charge reasonable fees for guarantee and  
16 insurance to students obtaining or who have obtained loans under this chapter, ~~and such fees.~~  
17 The agency may charge up to ~~thirteen~~thirty percent of accumulated principal and interest if the  
18 loans are in default under section 15-62.1-06. The fees collected under this section must be  
19 available to defray costs of administering the guarantee loan program. Fees in excess of the  
20 amount required to pay the cost of administering the program must be deposited in the reserve  
21 fund. The authority of the agency to charge reasonable fees under this section applies to all  
22 borrowers and cosigners for loans obtained under this chapter whenever the underlying note  
23 was executed and subject to the note providing for payments of fees and collections costs.

24 **SECTION 18. AMENDMENT.** Section 28-25-11 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **28-25-11. Property applied - Wages exempt - ~~Suspension of occupational or~~**  
27 **~~professional license~~recreational licenses for nonpayment of defaulted state guaranteed**  
28 **student loans.**

29 1. The judge may order any property of the judgment debtor not exempt from execution  
30 in the hands either of the judgment debtor or of any other person or due the judgment  
31 debtor to be applied toward the satisfaction of the judgment, except that the earnings



1 of the debtor for the debtor's personal services at any time within sixty days next  
2 preceding the order cannot be so applied when it is made to appear, by the debtor's  
3 affidavit or otherwise, that the earnings are necessary for the use of a family supported  
4 wholly or partly by the debtor's labor.

5 2. ~~If the debt for which a judgment is entered is for a guaranteed student loan, the court,~~  
6 ~~after considering the factors in subsection 1, shall address and make specific findings~~  
7 ~~on the issue of whether the judgment debtor has an occupational or a professional~~  
8 ~~certificate license or permit issued by or on behalf of the state or any occupational or~~  
9 ~~professional boards, which the judgment debtor is required to obtain before engaging~~  
10 ~~in the judgment debtor's occupation or profession. The court, based on principles of~~  
11 ~~fairness, including consideration of whether the judgment debtor has been unjustly~~  
12 ~~enriched, may suspend a judgment debtor's certificate, license, or permit. Following a~~  
13 ~~decision to suspend a judgment debtor's certificate, license, or permit, the court shall~~  
14 ~~notify the judgment debtor that the decision becomes final thirty days after the~~  
15 ~~notification unless the judgment debtor satisfies the entire outstanding payment due or~~  
16 ~~makes regular payment on the judgment in a manner and at times satisfactory to the~~  
17 ~~court. The court shall notify the proper licensing authority of the court's decision to~~  
18 ~~suspend a judgment debtor's certificate, license, or permit. A certificate, license, or~~  
19 ~~permit suspended by an order issued under this section may be reissued only by order~~  
20 ~~of the court. An appeal by a judgment debtor who has had a certificate, license, or~~  
21 ~~permit suspended under this section is an appeal from the court's order and may not~~  
22 ~~be appealed to the licensing authority.~~ The court may withhold or suspend any  
23 certificate, permit, or license issued by lottery, tag, electronically, or over the counter  
24 by the director of the game and fish department which the judgment debtor is required  
25 to obtain before engaging in a recreational activity. Following a decision to withhold or  
26 suspend a judgment debtor's certificate, permit, or license for failure to repay a state  
27 guaranteed student loan, the court shall notify the judgment debtor that the decision  
28 becomes final thirty days after the notification unless the judgment debtor satisfies or  
29 makes arrangements to pay the entire outstanding payment due or makes regular  
30 payment on the judgment in a manner and at times satisfactory to the court. The court  
31 shall notify the director of the game and fish department of the court's decision to

1 withhold or suspend a debtor's certificate, permit, or license. A certificate, permit, or  
2 license withheld or suspended by an order issued under this section may be reissued  
3 only by order of the court. An appeal by a debtor who has had a certificate, permit, or  
4 license suspended or withheld under this section is an appeal from the court's order  
5 and may not be appealed to the director of the game and fish department.

6 ~~SECTION 19. A new subsection to section 54-17-07.3 of the North Dakota Century Code is~~  
7 ~~created and enacted as follows:~~

8 ~~Essential service worker home ownership incentive program. A program to provide~~  
9 ~~assistance for the purchase of a primary residence by an essential service worker as~~  
10 ~~provided in section 20 of this Act. The program may provide a secondary mortgage~~  
11 ~~lien to assist in the acquisition of a single-family residential dwelling unit.~~

12 **SECTION 19. AMENDMENT.** Subsection 3 of section 54-17-07.3 of the North Dakota  
13 Century Code is amended and reenacted as follows:

- 14 3. Multifamily housing finance program. A program or programs to provide financing  
15 directly or indirectly of construction, permanent, and combined construction and  
16 permanent mortgage loans, including participations in mortgage loans, for the  
17 acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of  
18 multifamily housing facilities. As part of the program, the industrial commission, acting  
19 in its capacity as a state housing finance agency, may enter a public and private  
20 partnership with any interested private entity and accept any gift, grant, or other type  
21 of financial aid or assistance, ~~including a contribution to the housing incentive fund,~~ to  
22 provide financing for the construction or rehabilitation of a multifamily housing facility in  
23 a developing community in the state to address an unmet housing need or alleviate a  
24 housing shortage. A private entity participating in this program may reserve a  
25 proportionate share of available units in the facility for occupancy by its workforce  
26 based on its financial participation in the facility, in addition to any units held for  
27 occupancy by individuals or families of low or moderate income.

28 **SECTION 20. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **54-17-40. (Effective through June 30, 2017) Housing incentive fund - Continuing**  
2 **appropriation - Report to budget section.**

3           1. The housing incentive fund is created as a special revolving fund at the Bank of North  
4           Dakota. The housing finance agency may direct disbursements from the fund and a  
5           continuing appropriation from the fund is provided for that purpose.

6           2. a. After a public hearing, the housing finance agency shall create an annual  
7           allocation plan for the distribution of the fund. At least twenty-five percent of the  
8           fund must be used to assist developing communities to address an unmet  
9           housing need or alleviate a housing shortage. ~~The agency may collect a~~  
10          ~~reasonable administrative fee from the fund, project developers, applicants, or~~  
11          ~~grant recipients. The origination fee assessed to grant recipients may not exceed~~  
12          ~~five percent of the project award.~~

13          b. The annual allocation plan must give first priority through its scoring and ranking  
14          process to housing for essential service workers. For purposes of this subsection,  
15          "essential service workers" means individuals employed by a city, county, school  
16          district, medical or long-term care facility, the state of North Dakota, or others as  
17          determined by the housing finance agency who fulfill an essential public service.

18          c. The second priority in the annual allocation plan must be to provide housing for  
19          individuals and families of low or moderate income. For purposes of this second  
20          priority, eligible income limits are determined as a percentage of median family  
21          income as published in the most recent federal register notice. Under this second  
22          priority, the annual allocation plan must give preference to projects that benefit  
23          households with the lowest income and to projects that have rent restrictions at  
24          or below department of housing and urban development published federal fair  
25          market rents or department of housing and urban development section 8  
26          payment standards.

27          ~~The housing finance agency shall maintain a register reflecting the number of~~  
28          ~~housing units owned or master leased by cities, counties, school districts, or other~~  
29          ~~employers of essential service workers. This register must also reflect those entities~~  
30          ~~that are providing rent subsidies for their essential workers. The housing finance~~  
31          ~~agency shall report quarterly to the budget section of the legislative management on~~

1           ~~the progress being made to reduce the overall number of units owned, master leased,~~  
2           ~~or subsidized by these entities. This report must include a listing of projects approved~~  
3           ~~and number of units within those projects that provide housing for essential service~~  
4           ~~workers.~~

- 5           3. The housing finance agency shall adopt guidelines for the fund so as to address  
6           unmet housing needs in this state. Assistance from the fund may be used solely for:
- 7           a. New construction, rehabilitation, or acquisition of a multifamily housing project;
  - 8           b. Gap assistance, matching funds, and accessibility improvements;
  - 9           c. Assistance that does not exceed the amount necessary to qualify for a loan using  
10           underwriting standards acceptable for secondary market financing or to make the  
11           project feasible; and
  - 12           d. Rental assistance, emergency assistance, or targeted supportive services  
13           designated to prevent homelessness.
- 14           4. Eligible recipients include units of local, state, and tribal government; local and tribal  
15           housing authorities; community action agencies; regional planning councils; and  
16           nonprofit organizations and for-profit developers of multifamily housing. Individuals  
17           may not receive direct assistance from the fund.
- 18           5. Except for subdivision d of subsection 3, assistance is subject to repayment or  
19           recapture under the guidelines adopted by the housing finance agency. Any  
20           assistance that is repaid or recaptured must be deposited in the fund and is  
21           appropriated on a continuing basis for the purposes of this section.
- 22           6. The agency may collect a reasonable administrative fee from the fund, project  
23           developers, applicants, or grant recipients. The origination fee assessed to grant  
24           recipients may not exceed five percent of the project award.
- 25           7. The housing finance agency shall maintain a register reflecting the number of housing  
26           units owned or master leased by cities, counties, school districts, or other employers  
27           of essential service workers. This register must also reflect those entities that are  
28           providing rent subsidies for their essential workers.
- 29           8. Upon request, the housing finance agency shall report to the industrial commission  
30           regarding the activities of the housing incentive fund.

- 1       9. At least once per biennium, the housing finance agency shall provide a report to the  
2       budget section of the legislative management regarding the activities of the housing  
3       incentive fund. The report must include the following:
- 4       a. The overall number of units owned, master leased, or subsidized by political  
5       subdivisions or other employers of essential service workers; and
- 6       b. A listing of projects approved and the number of units within those projects that  
7       provide housing for essential service workers.

8       ~~**SECTION 21.** A new section to chapter 54-17 of the North Dakota Century Code is created~~  
9       ~~and enacted as follows:~~

10      ~~**Essential service worker home ownership incentive fund – Continuing appropriation.**~~

11      ~~1. The essential service worker home ownership incentive fund is created as a special~~  
12      ~~revolving fund at the Bank of North Dakota. The moneys in the fund are appropriated~~  
13      ~~on a continuing basis to the housing finance agency to provide purchasing assistance~~  
14      ~~on single-family residential mortgage loans under the essential worker home~~  
15      ~~ownership incentive program. The agency may deduct a reasonable administrative fee~~  
16      ~~from the fund.~~

17      ~~2. For purposes of this section, "essential service worker" means an individual employed~~  
18      ~~by the state or a city, county, school district, medical or long-term care facility, or any~~  
19      ~~other individual employed in providing an essential public service as determined by the~~  
20      ~~housing finance agency.~~

21      ~~3. Pursuant to housing finance agency underwriting and credit standards and guidelines~~  
22      ~~adopted under subsection 4, the agency may provide a secondary loan to a qualified~~  
23      ~~essential service worker in conjunction with a single-family residential mortgage loan~~  
24      ~~originated by a lender under a housing finance agency home ownership program. If, at~~  
25      ~~any time during the term of the loan, the borrower ceases to be employed as an~~  
26      ~~essential service worker or if the borrower sells the home or refinances the mortgage~~  
27      ~~loan, the borrower must repay the secondary loan in full or begin making amortized~~  
28      ~~monthly payments on the secondary loan.~~

29      ~~4. The agency shall adopt guidelines for the implementation and administration of the~~  
30      ~~essential service worker home ownership incentive program. The guidelines must~~  
31      ~~provide the moneys in the essential service worker home ownership incentive fund~~

1           ~~may be used only to assist in the acquisition of owner-occupied single-family~~  
2           ~~residential housing that will serve as the primary residence of the essential service-~~  
3           ~~worker. The guidelines must establish income limits for eligibility to participate in the~~  
4           ~~program and purchase price limitations as determined by the agency.~~

5     ~~5. Any assistance that is repaid or recaptured must be deposited in the fund and is~~  
6           ~~appropriated on a continuing bases for the purposes of this section.~~

7     ~~SECTION 22. A new section to chapter 57-38 of the North Dakota Century Code is created~~  
8     ~~and enacted as follows:~~

9     ~~(Effective for the first two taxable years beginning after December 31, 2016) Housing-~~  
10    ~~incentive fund tax credit.~~

11    ~~1. A taxpayer is entitled to a credit as determined under this section against state income-~~  
12       ~~tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing-~~  
13       ~~incentive fund under section 54-17-40. The amount of the credit is equal to the amount-~~  
14       ~~contributed to the fund during the taxable year.~~

15    ~~2. North Dakota taxable income must be increased by the amount of the contribution-~~  
16       ~~upon which the credit under this section is computed but only to the extent the-~~  
17       ~~contribution reduced federal taxable income.~~

18    ~~3. The contribution amount used to calculate the credit under this section may not be-~~  
19       ~~used to calculate any other state income tax deduction or credit allowed by law.~~

20    ~~4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the-~~  
21       ~~excess may be carried forward to each of the ten succeeding taxable years.~~

22    ~~5. The aggregate amount of tax credits allowed to all eligible contributors is limited to five-~~  
23       ~~million dollars.~~

24    ~~6. Within thirty days after the date on which a taxpayer makes a contribution to the-~~  
25       ~~housing incentive fund, the housing finance agency shall file with each contributing-~~  
26       ~~taxpayer, and a copy with the tax commissioner, completed forms that show as to-~~  
27       ~~each contribution to the fund by that taxpayer the following:~~

28       ~~a. The name, address, and social security number or federal employer identification-~~  
29           ~~number of the taxpayer that made the contribution.~~

30       ~~b. The dollar amount paid for the contribution by the taxpayer.~~

31       ~~c. The date the payment was received by the fund.~~

1 ~~7. To receive the tax credit provided under this section, a taxpayer shall claim the credit~~  
2 ~~on the taxpayer's state income tax return in the manner prescribed by the tax~~  
3 ~~commissioner and file with the return a copy of the form issued by the housing finance~~  
4 ~~agency under subsection 6.~~

5 ~~8. Notwithstanding the time limitations contained in section 57-38-38, this section does~~  
6 ~~not prohibit the tax commissioner from conducting an examination of the credit~~  
7 ~~claimed and assessing additional tax due under section 57-38-38.~~

8 ~~9. A passthrough entity making a contribution to the housing incentive fund under this~~  
9 ~~section is considered to be the taxpayer for purposes of this section, and the amount~~  
10 ~~of the credit allowed must be determined at the passthrough entity level. The amount~~  
11 ~~of the total credit determined at the entity level must be passed through to the~~  
12 ~~partners, shareholders, or members in proportion to their respective interests in the~~  
13 ~~passthrough entity.~~

14 ~~**SECTION 23.** A new section to chapter 57-38 of the North Dakota Century Code is created~~  
15 ~~and enacted as follows:~~

16 ~~**(Effective for the first two taxable years beginning after December 31, 2016) Essential**~~  
17 ~~**service worker home ownership incentive fund tax credit.**~~

18 ~~1. A taxpayer is entitled to a credit as determined under this section against state income~~  
19 ~~tax liability under section 57-38-30 or 57-38-30.3 for contributing to the essential~~  
20 ~~service worker home ownership incentive fund under section 19 of this Act. The~~  
21 ~~amount of the credit is equal to the amount contributed to the fund during the taxable~~  
22 ~~year.~~

23 ~~2. North Dakota taxable income must be increased by the amount of the contribution~~  
24 ~~upon which the credit under this section is computed but only to the extent the~~  
25 ~~contribution reduced federal taxable income.~~

26 ~~3. The contribution amount used to calculate the credit under this section may not be~~  
27 ~~used to calculate any other state income tax deduction or credit allowed by law.~~

28 ~~4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the~~  
29 ~~excess may be carried forward to each of the ten succeeding taxable years.~~

30 ~~5. The aggregate amount of tax credits allowed to all eligible contributors is limited to five~~  
31 ~~hundred thousand dollars.~~

1 ~~6. Within thirty days after the date on which a taxpayer makes a contribution to the~~  
2 ~~essential service worker home ownership incentive fund, the housing finance agency~~  
3 ~~shall file with each contributing taxpayer, and a copy with the tax commissioner,~~  
4 ~~completed forms that show as to each contribution to the fund by that taxpayer the~~  
5 ~~following:~~

6 ~~a. The name, address, and social security number or federal employer identification~~  
7 ~~number of the taxpayer that made the contribution.~~

8 ~~b. The dollar amount paid for the contribution by the taxpayer.~~

9 ~~c. The date the payment was received by the fund.~~

10 ~~7. To receive the tax credit provided under this section, a taxpayer shall claim the credit~~  
11 ~~on the taxpayer's state income tax return in the manner prescribed by the tax~~  
12 ~~commissioner and file with the return a copy of the form issued by the housing finance~~  
13 ~~agency under subsection 6.~~

14 ~~8. Notwithstanding the time limitations contained in section 57-38-38, this section does~~  
15 ~~not prohibit the tax commissioner from conducting an examination of the credit~~  
16 ~~claimed and assessing additional tax due under section 57-38-38.~~

17 ~~9. A passthrough entity making a contribution to the essential service worker home~~  
18 ~~ownership incentive fund under this section is considered to be the taxpayer for~~  
19 ~~purposes of this section, and the amount of the credit allowed must be determined at~~  
20 ~~the passthrough entity level. The amount of the total credit determined at the entity~~  
21 ~~level must be passed through to the partners, shareholders, or members in proportion~~  
22 ~~to their respective interests in the passthrough entity.~~

23 ~~**SECTION 24.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota~~  
24 ~~Century Code is created and enacted as follows:~~

25 ~~\_\_\_\_\_ Housing incentive fund tax credit under section 21 of this Act.~~

26 ~~**SECTION 25.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota~~  
27 ~~Century Code is created and enacted as follows:~~

28 ~~\_\_\_\_\_ Essential service worker home ownership incentive fund tax credit under~~  
29 ~~section 22 of this Act.~~

30 **SECTION 21. AMENDMENT.** Section 54-18-19 of the North Dakota Century Code is  
31 amended and reenacted as follows:



1       **54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

2       The industrial commission shall transfer to the state general fund ~~fifty~~seventy-five percent of  
3 the annual earnings and undivided profits of the North Dakota mill and elevator association after  
4 any transfers to other state agricultural-related programs. The moneys must be transferred on  
5 an annual basis in the amounts and at the times requested by the director of the office of  
6 management and budget.

7       **SECTION 22. AMENDMENT.** Section 57-62-02 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9       **57-62-02. Allocation of moneys in coal development fund**

10       Moneys deposited in the coal development fund shall be apportioned monthly by the state  
11 treasurer as follows:

- 12       1. ~~Thirty~~Fifteen percent must be deposited in a permanent trust fund in the state treasury,  
13       to be known as the coal development trust fund, pursuant to section 21 of article X of  
14       the Constitution of North Dakota. Those funds held in trust and administered by the  
15       board of university and school lands on March 5, 1981, pursuant to section 12, chapter  
16       563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,  
17       chapter 626, 1979 Session Laws must also be deposited in the trust fund created  
18       pursuant to this subsection. The fund must be held in trust and administered by the  
19       board of university and school lands for loans to coal-impacted counties, cities, and  
20       school districts as provided in section 57-62-03 and for loans to school districts  
21       pursuant to chapter 15.1-36. The board of university and school lands may invest such  
22       funds as are not loaned out as provided in this chapter and may consult with the state  
23       investment board as provided by law. The income, including interest payments on  
24       loans, from the trust must be used first to replace uncollectible loans made from the  
25       fund and the balance must be deposited in the school construction assistance loan  
26       fund. Loan principal payments must be redeposited in the trust fund. The trust fund  
27       must be perpetual and held in trust as a replacement for depleted natural resources  
28       subject to the provisions of this chapter and chapter 15.1-36.
- 29       2. Fifteen percent must be deposited in the lignite research fund for the purpose of  
30       developing advanced energy technology.

- 1        3.    Seventy percent must be allocated to the coal-producing counties and must be  
2            distributed among such counties in such proportion as the number of tons [metric tons]  
3            of coal severed at each mining operation bears to the total number of tons [metric  
4            tons] of coal severed in the state during such monthly period. Allocations under  
5            subdivisions a and b must be apportioned by the state treasurer as follows:
- 6            a.    If the tipple of the currently active coal mining operation in a county is not within  
7            fifteen miles [24.14 kilometers] of another county in which no coal is mined, the  
8            revenue apportioned according to this subdivision must be allocated as follows:
- 9            (1)   Thirty percent must be paid by the state treasurer to the incorporated cities  
10           of the county based upon the population of each incorporated city according  
11           to the last official regular or special federal census or the census taken in  
12           accordance with the provisions of chapter 40-02 in case of a city  
13           incorporated subsequent to such census.
- 14           (2)   Forty percent must be paid to the county treasurer who shall deposit it in the  
15           county general fund to be used for general governmental purposes.
- 16           (3)   Thirty percent must be apportioned by the state treasurer to school districts  
17           within the county on the average daily membership basis, as certified to the  
18           state treasurer by the county superintendent of schools.
- 19           b.    If the tipple of a currently active coal mining operation in a county is within fifteen  
20           miles [24.14 kilometers] of another county in which no coal is mined, the revenue  
21           from the production not exceeding the production limitation in a calendar year  
22           which is apportioned from that coal mining operation according to this subsection  
23           must be allocated, subject to the definitions of terms and the requirements in  
24           paragraph 4, as provided in this subdivision. For purposes of this subdivision, the  
25           production limitation is three million eight hundred thousand tons [3447302.02  
26           metric tons] through calendar year 1995, three million six hundred thousand tons  
27           [3265865.07 metric tons] in calendar years 1996 and 1997, and three million four  
28           hundred thousand tons [3084428.12 metric tons] in calendar years after 1997.  
29           Revenue from production exceeding the production limitation in a calendar year  
30           from that coal mining operation must be allocated only within the coal-producing

1 county under subdivision a. Allocations under this subdivision must be made as  
2 follows:

3 (1) Thirty percent must be paid by the state treasurer to the incorporated cities  
4 of the coal-producing county and to any city of a non-coal-producing county  
5 when any portion of the city lies within fifteen miles [24.14 kilometers] of the  
6 tipple of the currently active coal mining operation in the coal-producing  
7 county, based upon the population of each incorporated city according to  
8 the last official regular or special federal census or the census taken in  
9 accordance with the provisions of chapter 40-02 in case of a city  
10 incorporated subsequent to such census.

11 (2) Forty percent must be divided by the state treasurer between the general  
12 fund of the coal-producing county and the general fund of any  
13 non-coal-producing county when any portion of the latter county lies within  
14 fifteen miles [24.14 kilometers] of the tipple of the currently active coal  
15 mining operation in the coal-producing county. The non-coal-producing  
16 county portion must be based upon the ratio which the assessed valuation  
17 of all quarter sections of land in that county, any portion of which lies within  
18 fifteen miles [24.14 kilometers] of the tipple of the currently active coal  
19 mining operation, bears to the combined assessed valuations of all land in  
20 the coal-producing county and the quarter sections of land in the  
21 non-coal-producing county within fifteen miles [24.14 kilometers] of the  
22 tipple of the currently active coal mining operation. The county director of  
23 tax equalization of the coal-producing county shall certify to the state  
24 treasurer the number of quarter sections of land in the non-coal-producing  
25 counties which lie at least in part within fifteen miles [24.14 kilometers] of  
26 the tipple of the currently active coal mining operation and their assessed  
27 valuations.

28 (3) Thirty percent must be apportioned by the state treasurer to school districts  
29 within the coal-producing county and to school districts in adjoining  
30 non-coal-producing counties when a portion of those school districts' land  
31 includes any of the quarter sections of land certified by the director of tax

1 equalization to the state treasurer to be eligible to share county funds as  
2 provided for in paragraph 2. The county superintendent of the  
3 non-coal-producing counties shall certify to the state treasurer the number  
4 of students actually residing on these quarter sections lying outside the  
5 coal-producing county and each school district in non-coal-producing  
6 counties shall receive a portion of the money under this paragraph based  
7 upon the ratio of the number of children residing on quarter sections of that  
8 school district within the fifteen-mile [24.14-kilometer] radius of the tipple of  
9 a currently active coal mining operation to the total number of schoolchildren  
10 from the coal-producing county combined with all the schoolchildren  
11 certified to be living on quarter sections within fifteen miles [24.14  
12 kilometers] of the tipple of the currently active coal mining operation in the  
13 coal-producing county.

14 (4) For the purposes of this subdivision:

- 15 (a) The terms "currently active coal mining operation in a county",  
16 "currently active coal mining operation in the coal-producing county",  
17 and "currently active coal mining operation" mean a coal mining  
18 operation that produced more than one hundred fifty thousand tons  
19 [136077.71 metric tons] of coal in a coal-producing county during the  
20 prior quarterly period.
- 21 (b) The term "coal-producing county" means a county in which more than  
22 one hundred fifty thousand tons [136077.71 metric tons] of coal were  
23 mined in the prior quarterly period.
- 24 (c) The term "another county in which no coal is mined" means a county  
25 in which not more than seventy-five thousand tons [68038.86 metric  
26 tons] of coal were mined in the prior quarterly period.
- 27 (d) The terms "non-coal-producing county" and "non-coal-producing  
28 counties" mean any county in which not more than seventy-five  
29 thousand tons [68038.86 metric tons] of coal were mined in the prior  
30 quarterly period.

1 (e) In computing each amount to be paid as provided in paragraph 1, 2,  
2 or 3 for coal severance tax revenue from coal mined during a monthly  
3 period, the state treasurer shall deduct from the allocation the amount  
4 of coal severance tax revenue, if any, that the governmental body in  
5 the non-coal-producing county received from the coal mined in the  
6 non-coal-producing county during the same monthly period.

7 (5) The state treasurer shall allocate funds provided by legislative appropriation  
8 to cities, the county general fund, and school districts within a  
9 coal-producing county according to the allocation method provided in  
10 subdivision a in an amount to offset fifty percent of the loss of that county's  
11 share of coal severance tax revenue allocated to a non-coal-producing  
12 county under this subdivision in the previous calendar year. The state  
13 treasurer shall make the allocation and distribute the funds, within the limits  
14 of legislative appropriations, under this paragraph during the first month of  
15 each calendar year. The state treasurer shall include in each biennial  
16 budget request the amounts estimated to be necessary for the biennium for  
17 purposes of this paragraph, based on the allocations under this subdivision  
18 in the most recent calendar years.

19 **SECTION 23. REPEAL.** ~~Section~~Sections 54-17-41 and 54-18-20 of the North Dakota  
20 Century Code ~~is~~are repealed.

21 **SECTION 24. REPEAL.** Section 6-09-50 of the North Dakota Century Code and  
22 sections 16, 26, and 27 of chapter 14 of the 2015 Session Laws are repealed.

23 **SECTION 25. REPEAL.** Section 54-17-40 of the North Dakota Century Code is repealed.

24 **SECTION 26. EXEMPTION - INDUSTRIAL COMMISSION FUND.** The amount  
25 appropriated to the industrial commission in the special funds appropriation line item in  
26 section 1 of chapter 14 of the 2015 Session Laws and transferred pursuant to section 6 of  
27 chapter 14 of the 2015 Session Laws is not subject to the provisions of 54-44.1-11. Any  
28 unexpended funds from this appropriation are available to the industrial commission for  
29 administrative services rendered by the commission during the biennium beginning July 1,  
30 2017, and ending June 30, 2019.

1       **SECTION 27. EXEMPTION - LIGNITE RESEARCH GRANTS.** The amount appropriated to  
2 the industrial commission from the general fund for lignite research grants in the grants line item  
3 in section 1 of chapter 14 of the 2015 Session Laws is not subject to the provisions of  
4 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial  
5 commission for lignite research grants during the biennium beginning July 1, 2017, and ending  
6 June 30, 2019.

7       **SECTION 28. LEGISLATIVE INTENT - RENEWABLE ENERGY DEVELOPMENT FUND.** It  
8 is the intent of the sixty-fifth legislative assembly that the industrial commission consider  
9 applications for funding from the renewable energy development fund for advanced energy  
10 technology development projects.

11       ~~**SECTION 31. LEGISLATIVE INTENT - ESSENTIAL SERVICE WORKER HOME-**~~  
12 ~~**OWNERSHIP INCENTIVE FUND.** Of the contributions deposited in the essential service worker-~~  
13 ~~home ownership incentive fund during the biennium beginning July 1, 2017, and ending~~  
14 ~~June 30, 2019, it is the intent of the sixty-fifth legislative assembly that the housing finance~~  
15 ~~agency disburse fifty percent within planning regions one and eight and shall disburse the~~  
16 ~~remaining fifty percent within the other planning regions.~~

17       **SECTION 29. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**  
18 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite  
19 research fund, or so much of the amount as may be necessary, may be used for the purpose of  
20 contracting for an independent, nonmatching lignite marketing feasibility study or studies that  
21 determine those focused priority areas where near-term, market-driven projects, activities, or  
22 processes will generate matching private industry investment and have the most potential of  
23 preserving existing lignite production and industry jobs or that will lead to increased  
24 development of lignite and its products and create new lignite industry jobs and economic  
25 growth for the general welfare of this state. Moneys appropriated pursuant to this section also  
26 may be used for the purpose of contracting for nonmatching studies and activities in support of  
27 the lignite vision 21 program; for litigation that may be necessary to protect and promote the  
28 continued development of lignite resources; for nonmatching externality studies and activities in  
29 externality proceedings; or other marketing, environmental, or transmission activities that assist  
30 with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for  
31 the purposes stated in this section are available to the industrial commission for funding

1 projects, processes, or activities under the lignite research, development, and marketing  
2 program.

3 ~~SECTION 33. EFFECTIVE DATE - EXPIRATION DATE. Sections 23 and 24 of this Act are~~  
4 ~~effective for the first two taxable years beginning after December 31, 2016, and are thereafter~~  
5 ~~ineffective.~~

6 **SECTION 30. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF**  
7 **NORTH DAKOTA.** The Bank of North Dakota may not construct a North Dakota financial center  
8 on a site adjacent to the existing building on which the Bank of North Dakota is located related  
9 to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in  
10 sections 2 and 26 of chapter 14 of the 2015 Session Laws.

11 **SECTION 31. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE**  
12 **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in  
13 consultation with the game and fish department, the state department of health, and the state  
14 water commission regarding the feasibility of and appropriate jurisdiction for regulation of  
15 sediment studies and dredging operations from the beds of reservoirs that retain more than fifty  
16 acre-feet of surface water. The industrial commission shall report to the legislative management  
17 by September 30, 2018, regarding the results and recommendations of the study.

18 **SECTION 32. EFFECTIVE DATE.** Sections 19 and 25 of this Act become effective  
19 December 31, 2018.

20 **SECTION 33. EXPIRATION DATE.** Section 21 of this Act is effective through June 30,  
21 2019, and after that date is ineffective.

22 **SECTION 34. EMERGENCY.** Sections 24 and 30 of this Act are declared to be an  
23 emergency measure.