

**FIRST ENGROSSMENT
with House Amendments
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 amend and reenact sections 15-62.1-07 and 28-25-11, subsection 3 of section 54-17-07.3, and
5 sections 54-17-40, 54-18-19, and 57-62-02 of the North Dakota Century Code, relating to loan
6 guarantee fees, suspension of recreational licenses, the housing incentive fund, North Dakota
7 mill and elevator profits, and coal development trust fund allocations; to repeal sections
8 6-09-50, 54-17-40, 54-17-41, and 54-18-20 of the North Dakota Century Code and sections 16,
9 26, and 27 of chapter 14 of the 2015 Session Laws, relating to a financial center project, the
10 housing incentive fund, housing incentive fund reports, and a gain-sharing program; to provide
11 statements of legislative intent; to provide for a report to the legislative management; to provide
12 exemptions; to provide an effective date; to provide an expiration date; and to declare an
13 emergency.

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

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

21 Subdivision 1.

22 INDUSTRIAL COMMISSION

23		Adjustments or	
24	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>

Sixty-fifth
Legislative Assembly

1	Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
2	Operating expenses	4,779,135	1,526,753	6,305,888
3	Grants - bond payments	15,040,829	(1,830,345)	13,210,484
4	Contingencies	<u>0</u>	<u>221,737</u>	<u>221,737</u>
5	Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
6	Less estimated income	<u>16,994,447</u>	<u>(651,241)</u>	<u>16,343,206</u>
7	Total general fund	\$24,957,746	\$451,241	\$25,408,987
8	Full-time equivalent positions	116.75	(6.50)	110.25

9 Subdivision 2.

10 BANK OF NORTH DAKOTA - OPERATIONS

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Bank of North Dakota operations	\$58,542,301	(\$253,097)	\$58,289,204
14	Capital assets	<u>745,000</u>	<u>65,000</u>	<u>810,000</u>
15	Total special funds	\$59,287,301	(\$188,097)	\$59,099,204
16	Full-time equivalent positions	181.50	0.00	181.50

17 Subdivision 3.

18 MILL AND ELEVATOR ASSOCIATION

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
22	Operating expenses	27,327,000	868,000	28,195,000
23	Contingencies	500,000	0	500,000
24	Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
25	Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519
26	Full-time equivalent positions	147.00	6.00	153.00

27 Subdivision 4.

28 HOUSING FINANCE AGENCY

29			Adjustments or	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Salaries and wages	\$7,745,034	(\$107,655)	\$7,637,379

Sixty-fifth
Legislative Assembly

1	Operating expenses	3,744,275	999,080	4,743,355
2	Grants	25,930,780	5,864,048	31,794,828
3	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
4	Total special funds	\$37,520,089	\$6,755,473	\$44,275,562
5	Full-time equivalent positions	46.00	(4.00)	42.00

6 Subdivision 5.

7 BILL TOTAL

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
11	Grand total special funds	<u>178,117,735</u>	<u>9,813,756</u>	<u>187,931,491</u>
12	Grand total all funds	\$203,075,481	\$10,264,997	\$213,340,478

13 **SECTION 2. HEALTH INSURANCE INCREASE.** Section 1 of this Act includes the sum of
 14 \$1,319,354, of which \$292,009 is from the general fund, for increases in employee health
 15 insurance premiums from \$1,130 to \$1,241 per month.

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

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

1	Total special funds	<u>30,625,322</u>	<u>1,000,000</u>
2	Total general fund	\$7,718,143	\$0

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

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

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

24 **SECTION 5. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.**
25 In addition to the amount appropriated to the housing finance agency in subdivision 4 of section
26 1 of this Act, there is appropriated any additional income or unanticipated income from federal
27 or other funds which may become available to the agency for the biennium beginning July 1,
28 2017, and ending June 30, 2019. The housing finance agency shall notify the office of
29 management and budget and the legislative council of any additional income or unanticipated
30 income that becomes available to the agency.

1 **SECTION 6. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY**

2 **COMMISSION APPROVAL.** In addition to the amount appropriated to the industrial commission
3 in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the
4 emergency commission, funds that may become available to the commission from bonds
5 authorized by law to be issued by the industrial commission for the biennium beginning July 1,
6 2017, and ending June 30, 2019.

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

8 The amount of \$221,737 from the general fund and two full-time equivalent positions included in
9 subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this
10 section. The industrial commission shall notify the office of management and budget and the
11 legislative council when the total number of wells capable of production and injection exceeds
12 eighteen thousand two hundred. Subject to budget section approval, the industrial commission
13 may spend \$221,737 from the contingencies line item and may hire two full-time equivalent
14 positions, one of which may be hired after May 31, 2018, and one of which may be hired after
15 November 30, 2018, if the total number of wells capable of production and injection exceeds
16 eighteen thousand two hundred.

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

18 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of \$1,103,779, or so much of
19 the sum as may be necessary, included in the special funds appropriation line item in
20 subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of
21 the industrial commission or entities directed to make payments to the industrial commission
22 fund for administrative services rendered by the commission. Transfers must be made during
23 the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the commission.
24 Transfers from the student loan trust fund must be made to the extent permitted by sections
25 54-17-24 and 54-17-25.

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

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

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

6 **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE**
7 **PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall
8 transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's
9 current earnings and undivided profits to the agriculture partnership in assisting community
10 expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

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

16 **SECTION 13. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER**
17 **REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer the sum of \$6,000,000, or
18 so much of the sum as may be necessary, from the Bank's current earnings and undivided
19 profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2017,
20 and ending June 30, 2019.

21 **SECTION 14. TRANSFER - BANK OF NORTH DAKOTA - SCHOOL CONSTRUCTION**
22 **LOAN INTEREST RATE BUYDOWNS.** The Bank of North Dakota shall transfer the sum of
23 \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and
24 undivided profits for interest rate buydowns on outstanding school construction loans under
25 section 15.1-36-06 during the biennium beginning July 1, 2017, and ending June 30, 2019.

26 **SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
27 **LIGNITE RESEARCH FUND.** The department of trust lands shall transfer the sum of
28 \$3,000,000 from the strategic investment and improvements fund to the lignite research fund
29 during the biennium beginning July 1, 2017, and ending June 30, 2019. The funding must be
30 used to provide grants for advanced energy technology research and development. Grant
31 recipients must provide matching funds.

1 **SECTION 16. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**

2 **FUNDS.** The estimated income line item in section 1 of this Act includes \$1,000,000 from the
3 strategic investment and improvements fund for litigation expenses.

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

6 **15-62.1-07. Fees for insurance and other reasonable costs.**

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

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

18 **28-25-11. Property applied - Wages exempt - Suspension of ~~occupational or~~**
19 **~~professional license~~ recreational licenses for nonpayment of defaulted state guaranteed**
20 **student loans.**

- 21 1. The judge may order any property of the judgment debtor not exempt from execution
22 in the hands either of the judgment debtor or of any other person or due the judgment
23 debtor to be applied toward the satisfaction of the judgment, except that the earnings
24 of the debtor for the debtor's personal services at any time within sixty days next
25 preceding the order cannot be so applied when it is made to appear, by the debtor's
26 affidavit or otherwise, that the earnings are necessary for the use of a family supported
27 wholly or partly by the debtor's labor.
- 28 2. ~~If the debt for which a judgment is entered is for a guaranteed student loan, the court,~~
29 ~~after considering the factors in subsection 1, shall address and make specific findings~~
30 ~~on the issue of whether the judgment debtor has an occupational or a professional~~
31 ~~certificate license or permit issued by or on behalf of the state or any occupational or~~

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

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

- 1 3. Multifamily housing finance program. A program or programs to provide financing
2 directly or indirectly of construction, permanent, and combined construction and
3 permanent mortgage loans, including participations in mortgage loans, for the
4 acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of
5 multifamily housing facilities. As part of the program, the industrial commission, acting
6 in its capacity as a state housing finance agency, may enter a public and private
7 partnership with any interested private entity and accept any gift, grant, or other type
8 of financial aid or assistance, ~~including a contribution to the housing incentive fund,~~ to
9 provide financing for the construction or rehabilitation of a multifamily housing facility in
10 a developing community in the state to address an unmet housing need or alleviate a
11 housing shortage. A private entity participating in this program may reserve a
12 proportionate share of available units in the facility for occupancy by its workforce
13 based on its financial participation in the facility, in addition to any units held for
14 occupancy by individuals or families of low or moderate income.

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

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

- 19 1. The housing incentive fund is created as a special revolving fund at the Bank of North
20 Dakota. The housing finance agency may direct disbursements from the fund and a
21 continuing appropriation from the fund is provided for that purpose.
- 22 2. a. After a public hearing, the housing finance agency shall create an annual
23 allocation plan for the distribution of the fund. At least twenty-five percent of the
24 fund must be used to assist developing communities to address an unmet
25 housing need or alleviate a housing shortage. ~~The agency may collect a~~
26 ~~reasonable administrative fee from the fund, project developers, applicants, or~~
27 ~~grant recipients. The origination fee assessed to grant recipients may not exceed~~
28 ~~five percent of the project award.~~
- 29 b. The annual allocation plan must give first priority through its scoring and ranking
30 process to housing for essential service workers. For purposes of this subsection,
31 "essential service workers" means individuals employed by a city, county, school

1 district, medical or long-term care facility, the state of North Dakota, or others as
2 determined by the housing finance agency who fulfill an essential public service.

3 c. The second priority in the annual allocation plan must be to provide housing for
4 individuals and families of low or moderate income. For purposes of this second
5 priority, eligible income limits are determined as a percentage of median family
6 income as published in the most recent federal register notice. Under this second
7 priority, the annual allocation plan must give preference to projects that benefit
8 households with the lowest income and to projects that have rent restrictions at
9 or below department of housing and urban development published federal fair
10 market rents or department of housing and urban development section 8
11 payment standards.

12 ~~The housing finance agency shall maintain a register reflecting the number of~~
13 ~~housing units owned or master leased by cities, counties, school districts, or other~~
14 ~~employers of essential service workers. This register must also reflect those entities~~
15 ~~that are providing rent subsidies for their essential workers. The housing finance~~
16 ~~agency shall report quarterly to the budget section of the legislative management on~~
17 ~~the progress being made to reduce the overall number of units owned, master leased,~~
18 ~~or subsidized by these entities. This report must include a listing of projects approved~~
19 ~~and number of units within those projects that provide housing for essential service~~
20 ~~workers.~~

21 3. The housing finance agency shall adopt guidelines for the fund so as to address
22 unmet housing needs in this state. Assistance from the fund may be used solely for:
23 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
24 b. Gap assistance, matching funds, and accessibility improvements;
25 c. Assistance that does not exceed the amount necessary to qualify for a loan using
26 underwriting standards acceptable for secondary market financing or to make the
27 project feasible; and
28 d. Rental assistance, emergency assistance, or targeted supportive services
29 designated to prevent homelessness.

30 4. Eligible recipients include units of local, state, and tribal government; local and tribal
31 housing authorities; community action agencies; regional planning councils; and

1 nonprofit organizations and for-profit developers of multifamily housing. Individuals
2 may not receive direct assistance from the fund.

3 5. Except for subdivision d of subsection 3, assistance is subject to repayment or
4 recapture under the guidelines adopted by the housing finance agency. Any
5 assistance that is repaid or recaptured must be deposited in the fund and is
6 appropriated on a continuing basis for the purposes of this section.

7 6. The agency may collect a reasonable administrative fee from the fund, project
8 developers, applicants, or grant recipients. The origination fee assessed to grant
9 recipients may not exceed five percent of the project award.

10 7. The housing finance agency shall maintain a register reflecting the number of housing
11 units owned or master leased by cities, counties, school districts, or other employers
12 of essential service workers. This register must also reflect those entities that are
13 providing rent subsidies for their essential workers.

14 8. Upon request, the housing finance agency shall report to the industrial commission
15 regarding the activities of the housing incentive fund.

16 9. At least once per biennium, the housing finance agency shall provide a report to the
17 budget section of the legislative management regarding the activities of the housing
18 incentive fund. The report must include the following:

19 a. The overall number of units owned, master leased, or subsidized by political
20 subdivisions or other employers of essential service workers; and

21 b. A listing of projects approved and the number of units within those projects that
22 provide housing for essential service workers.

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

25 **54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

26 The industrial commission shall transfer to the state general fund fiftyseventy-five percent of
27 the annual earnings and undivided profits of the North Dakota mill and elevator association after
28 any transfers to other state agricultural-related programs. The moneys must be transferred on
29 an annual basis in the amounts and at the times requested by the director of the office of
30 management and budget.

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

3 **57-62-02. Allocation of moneys in coal development fund**

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

- 6 1. ~~Thirty~~Fifteen percent must be deposited in a permanent trust fund in the state treasury,
7 to be known as the coal development trust fund, pursuant to section 21 of article X of
8 the Constitution of North Dakota. Those funds held in trust and administered by the
9 board of university and school lands on March 5, 1981, pursuant to section 12, chapter
10 563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,
11 chapter 626, 1979 Session Laws must also be deposited in the trust fund created
12 pursuant to this subsection. The fund must be held in trust and administered by the
13 board of university and school lands for loans to coal-impacted counties, cities, and
14 school districts as provided in section 57-62-03 and for loans to school districts
15 pursuant to chapter 15.1-36. The board of university and school lands may invest such
16 funds as are not loaned out as provided in this chapter and may consult with the state
17 investment board as provided by law. The income, including interest payments on
18 loans, from the trust must be used first to replace uncollectible loans made from the
19 fund and the balance must be deposited in the school construction assistance loan
20 fund. Loan principal payments must be redeposited in the trust fund. The trust fund
21 must be perpetual and held in trust as a replacement for depleted natural resources
22 subject to the provisions of this chapter and chapter 15.1-36.
- 23 2. Fifteen percent must be deposited in the lignite research fund for the purpose of
24 developing advanced energy technology.
- 25 3. Seventy percent must be allocated to the coal-producing counties and must be
26 distributed among such counties in such proportion as the number of tons [metric tons]
27 of coal severed at each mining operation bears to the total number of tons [metric
28 tons] of coal severed in the state during such monthly period. Allocations under
29 subdivisions a and b must be apportioned by the state treasurer as follows:

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

1 county, based upon the population of each incorporated city according to
2 the last official regular or special federal census or the census taken in
3 accordance with the provisions of chapter 40-02 in case of a city
4 incorporated subsequent to such census.

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

22 (3) Thirty percent must be apportioned by the state treasurer to school districts
23 within the coal-producing county and to school districts in adjoining
24 non-coal-producing counties when a portion of those school districts' land
25 includes any of the quarter sections of land certified by the director of tax
26 equalization to the state treasurer to be eligible to share county funds as
27 provided for in paragraph 2. The county superintendent of the
28 non-coal-producing counties shall certify to the state treasurer the number
29 of students actually residing on these quarter sections lying outside the
30 coal-producing county and each school district in non-coal-producing
31 counties shall receive a portion of the money under this paragraph based

1 upon the ratio of the number of children residing on quarter sections of that
2 school district within the fifteen-mile [24.14-kilometer] radius of the tipple of
3 a currently active coal mining operation to the total number of schoolchildren
4 from the coal-producing county combined with all the schoolchildren
5 certified to be living on quarter sections within fifteen miles [24.14
6 kilometers] of the tipple of the currently active coal mining operation in the
7 coal-producing county.

8 (4) For the purposes of this subdivision:

- 9 (a) The terms "currently active coal mining operation in a county",
10 "currently active coal mining operation in the coal-producing county",
11 and "currently active coal mining operation" mean a coal mining
12 operation that produced more than one hundred fifty thousand tons
13 [136077.71 metric tons] of coal in a coal-producing county during the
14 prior quarterly period.
- 15 (b) The term "coal-producing county" means a county in which more than
16 one hundred fifty thousand tons [136077.71 metric tons] of coal were
17 mined in the prior quarterly period.
- 18 (c) The term "another county in which no coal is mined" means a county
19 in which not more than seventy-five thousand tons [68038.86 metric
20 tons] of coal were mined in the prior quarterly period.
- 21 (d) The terms "non-coal-producing county" and "non-coal-producing
22 counties" mean any county in which not more than seventy-five
23 thousand tons [68038.86 metric tons] of coal were mined in the prior
24 quarterly period.
- 25 (e) In computing each amount to be paid as provided in paragraph 1, 2,
26 or 3 for coal severance tax revenue from coal mined during a monthly
27 period, the state treasurer shall deduct from the allocation the amount
28 of coal severance tax revenue, if any, that the governmental body in
29 the non-coal-producing county received from the coal mined in the
30 non-coal-producing county during the same monthly period.

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

13 **SECTION 23. REPEAL.** Sections 54-17-41 and 54-18-20 of the North Dakota Century
14 Code are repealed.

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

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

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

25 **SECTION 27. EXEMPTION - LIGNITE RESEARCH GRANTS.** The amount appropriated to
26 the industrial commission from the general fund for lignite research grants in the grants line item
27 in section 1 of chapter 14 of the 2015 Session Laws is not subject to the provisions of
28 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial
29 commission for lignite research grants during the biennium beginning July 1, 2017, and ending
30 June 30, 2019.

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

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

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

27 **SECTION 31. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE**
28 **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in
29 consultation with the game and fish department, the state department of health, and the state
30 water commission regarding the feasibility of and appropriate jurisdiction for regulation of
31 sediment studies and dredging operations from the beds of reservoirs that retain more than fifty

1 acre-feet of surface water. The industrial commission shall report to the legislative management
2 by September 30, 2018, regarding the results and recommendations of the study.

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

5 **SECTION 33. EXPIRATION DATE.** Section 21 of this Act is effective through June 30,
6 2019, and after that date is ineffective.

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