

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1215

Introduced by

Representatives M. Ruby, Dockter, Headland, Lefor, Louser, Paulson, Porter

Senators Bekkedahl, Burckhard, Krebsbach

1 A BILL ~~for an Act to create and enact a new section to chapter 54-17.8 of the North Dakota~~
2 ~~Century Code, relating to an outdoor heritage revolving loan fund; to amend and reenact~~
3 ~~section 54-17.8-02 of the North Dakota Century Code, relating to a transfer of funds to the~~
4 ~~outdoor heritage revolving loan fund; to provide a continuing appropriation; to provide a transfer;~~
5 ~~and to provide an effective date.~~ for an Act to amend and reenact section 54-17.8-03 of the
6 North Dakota Century Code, relating to allowable uses of the outdoor heritage fund.

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

8 ~~— **SECTION 1. AMENDMENT.** Section 54-17.8-02 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~

10 ~~— **54-17.8-02. North Dakota outdoor heritage fund – Continuing appropriation.**~~

11 ~~— 1. There is created a North Dakota outdoor heritage fund that is governed by the~~
12 ~~commission. Any~~ Except as provided in subsection 2, ~~money deposited in the fund is~~
13 ~~appropriated on a continuing basis to the commission for the purposes of this chapter.~~
14 ~~Interest earned by the fund must be credited to the fund. The commission shall keep~~
15 ~~accurate records of all financial transactions performed under this chapter.~~

16 ~~— 2. Ten percent of the oil and gas gross production tax collections allocated to the North~~
17 ~~Dakota outdoor heritage fund under section 57-51-15, not to exceed a cumulative total~~
18 ~~of twenty-five million dollars, must be transferred by the state treasurer to the outdoor~~
19 ~~heritage revolving loan fund under section 2 of this Act.~~

20 ~~— **SECTION 2.** A new section to chapter 54-17.8 of the North Dakota Century Code is created~~
21 ~~and enacted as follows:~~

22 ~~— **Outdoor heritage revolving loan fund – Continuing appropriation.**~~

23 ~~— 1. There is created in the state treasury the outdoor heritage revolving loan fund. The~~
24 ~~fund consists of all oil and gas gross production tax revenue transferred under section~~

~~54-17.8-02, interest upon moneys in the fund, and principal and interest payments to the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis to provide loans based on recommendations from the North Dakota outdoor heritage advisory board and for administrative costs pursuant to this section.~~

~~2. The advisory board shall make recommendations for loans under this section. To be eligible for a loan under this section, a project must meet the criteria under section 54-17.8-03. Projects not eligible for other state funding must be given priority for loans under this section. Loans may not be issued from the fund until after July 31, 2025.~~

~~3. The Bank of North Dakota shall develop policies for the loans in consultation with the advisory board, and the policies may include provisions for loan participation with local financial institutions. To be eligible for a loan under this section, the entity shall agree to provide the Bank with information as requested. The Bank shall review loan applications. For a loan under this section, the term may not exceed twenty years, and the interest rate must be the prevailing interest rate charged to North Dakota governmental entities. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund if the fund has any outstanding loans. The cost of the audit must be paid from the fund.~~

~~**SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas gross production tax revenue allocations after July 31, 2021.~~

SECTION 1. AMENDMENT. Section 54-17.8-03 of the North Dakota Century Code is amended and reenacted as follows:

54-17.8-03. North Dakota outdoor heritage fund purposes.

1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
 - a. Providing access to private and public lands for ~~sportsmen~~the public, including projects that create fish and wildlife habitat and provide access for

1 sportsmen recreation and enhance the recreational experiences and opportunities
2 on public lands;

3 b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity,
4 animal systems, and by supporting other practices of stewardship to enhance
5 farming and ranching;

6 c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on
7 private and public lands; and

8 d. Conserving natural areas and creating other areas for recreation through the
9 establishment and development of parks and other recreation areas.

10 2. The commission or grantee may not use the fund, in any manner, to finance:

11 a. Litigation;

12 b. Lobbying activities;

13 c. Any activity that would interfere, disrupt, or prevent activities associated with
14 surface coal mining operations; sand, gravel, or scoria extraction activities; oil
15 and gas operations; or other energy facility or infrastructure development;

16 d. The acquisition of land or to encumber any land for a term longer than twenty
17 years; or

18 e. Projects outside this state or projects that are beyond the scope of defined
19 activities that fulfill the purposes of this chapter.

20 3. The commission or a grantee may not use grant funds, except after a finding of
21 exceptional circumstances by the commission, to finance:

22 a. A completed project or project commenced before the grant application;

23 b. A feasibility or research study;

24 c. Maintenance costs;

25 d. A paving project for a road or parking lot;

26 e. A swimming pool or aquatic park;

27 f. Personal property that is not affixed to the land;

28 g. Playground equipment, except that grant funds may be provided for up to
29 twenty-five percent of the cost of the equipment not exceeding ten thousand
30 dollars per project and all playground equipment grants may not exceed five
31 percent of the total grants per year;

- 1 h. A building, except for a building that is included as part of a comprehensive
2 conservation plan for a new or expanded recreational project or a building that
3 needs repairs or replacement due to damage caused by an act of God; or
4 i. A project in which the applicant is not directly involved in execution and
5 completion of the project.