

**FIRST ENGROSSMENT
with Conference Committee 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, 28-25-11, 54-17-40, 54-18-19, and 57-62-02 of the
5 North Dakota Century Code and section 26 of chapter 14 of the 2015 Session Laws, relating to
6 loan guarantee fees, suspension of recreational licenses, the housing incentive fund, North
7 Dakota mill and elevator profits, coal development trust fund allocations, and a financial center
8 project; to repeal section 54-17-41 of the North Dakota Century Code, relating to housing
9 incentive fund reports; to provide statements of legislative intent; to provide for reports; to
10 provide exemptions; to provide an expiration date; and to declare an emergency.

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

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

18 Subdivision 1.

19 INDUSTRIAL COMMISSION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22 Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
23 Operating expenses	4,779,135	1,526,753	6,305,888
24 Grants - bond payments	15,040,829	(1,830,345)	13,210,484

Sixty-fifth
Legislative Assembly

1	Contingencies	<u>0</u>	<u>221,737</u>	<u>221,737</u>
2	Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
3	Less estimated income	<u>16,994,447</u>	<u>(651,241)</u>	<u>16,343,206</u>
4	Total general fund	\$24,957,746	\$451,241	\$25,408,987
5	Full-time equivalent positions	116.75	(6.50)	110.25

6 Subdivision 2.

7 BANK OF NORTH DAKOTA - OPERATIONS

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Bank of North Dakota operations	\$58,542,301	(\$53,097)	\$58,489,204
11	Capital assets	<u>745,000</u>	<u>65,000</u>	<u>810,000</u>
12	Total special funds	\$59,287,301	\$11,903	\$59,299,204
13	Full-time equivalent positions	181.50	0.00	181.50

14 Subdivision 3.

15 MILL AND ELEVATOR ASSOCIATION

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

24 Subdivision 4.

25 HOUSING FINANCE AGENCY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$7,745,034	\$147,022	\$7,892,056
29	Operating expenses	3,744,275	999,080	4,743,355
30	Grants	25,930,780	5,864,048	31,794,828
31	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>

Sixty-fifth
Legislative Assembly

1	Total special funds	\$37,520,089	\$7,010,150	\$44,530,239
2	Full-time equivalent positions	46.00	(2.00)	44.00
3	Subdivision 5.			
4	BILL TOTAL			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
8	Grand total special funds	<u>178,117,735</u>	<u>10,268,433</u>	<u>188,386,168</u>
9	Grand total all funds	\$203,075,481	\$10,719,674	\$213,795,155

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

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

18	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
19	Litigation	\$2,500,000	\$1,000,000
20	Lignite research council grant	4,672,500	0
21	Aerial photography	104,143	0
22	Contract analysis	125,000	0
23	Digital conversion	25,000	0
24	Migration to RBDMS.net	250,000	0
25	All-terrain vehicles	41,500	0
26	Core library expansion	13,625,322	0
27	Financial center project	<u>17,000,000</u>	<u>0</u>
28	Total all funds	\$38,343,465	\$1,000,000
29	Total special funds	<u>30,625,322</u>	<u>1,000,000</u>
30	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
24 section 1 of this Act, there is appropriated any additional income or unanticipated income from
25 federal or other funds which may become available to the agency for the biennium beginning
26 July 1, 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 \$221,737 from the general fund and two full-time equivalent positions included in
6 subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this
7 section. The industrial commission shall notify the office of management and budget and the
8 legislative council when the total number of wells capable of production and injection exceeds
9 eighteen thousand two hundred. Subject to budget section approval, the industrial commission
10 may spend \$221,737 from the contingencies line item and may hire two full-time equivalent
11 positions if the total number of wells capable of production and injection exceeds eighteen
12 thousand two hundred.

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

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

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

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

28 **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING**

29 **COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of \$16,000,000,
30 or so much of the sum as may be necessary, from the Bank's current earnings and undivided

1 profits to the partnership in assisting community expansion fund during the biennium beginning
2 July 1, 2017, and ending June 30, 2019.

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

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

8 **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN**

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

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

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

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

19 **LOAN INTEREST RATE BUYDOWNS.** The Bank of North Dakota shall transfer the sum of
20 \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and
21 undivided profits for interest rate buydowns on outstanding school construction loans under
22 section 15.1-36-06 during the biennium beginning July 1, 2017, and ending June 30, 2019.

23 **SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**

24 **LIGNITE RESEARCH FUND.** The department of trust lands shall transfer the sum of
25 \$3,000,000 from the strategic investment and improvements fund to the lignite research fund
26 during the biennium beginning July 1, 2017, and ending June 30, 2019. The funding must be
27 used to provide grants for advanced energy technology research and development. Grant
28 recipients must provide matching funds.

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

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

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

3 **15-62.1-07. Fees for insurance and other reasonable costs.**

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

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

15 **28-25-11. Property applied - Wages exempt - Suspension of ~~occupational or~~**
16 **~~professional license~~ recreational licenses for nonpayment of defaulted state guaranteed**
17 **student loans.**

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

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

26 **SECTION 19. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is
27 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 20. AMENDMENT.** Section 54-18-19 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

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

16 **SECTION 21. AMENDMENT.** Section 57-62-02 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **57-62-02. Allocation of moneys in coal development fund**

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

- 21 1. ~~Thirty~~Fifteen percent must be deposited in a permanent trust fund in the state treasury,
22 to be known as the coal development trust fund, pursuant to section 21 of article X of
23 the Constitution of North Dakota. Those funds held in trust and administered by the
24 board of university and school lands on March 5, 1981, pursuant to section 12, chapter
25 563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,
26 chapter 626, 1979 Session Laws must also be deposited in the trust fund created
27 pursuant to this subsection. The fund must be held in trust and administered by the
28 board of university and school lands for loans to coal-impacted counties, cities, and
29 school districts as provided in section 57-62-03 and for loans to school districts
30 pursuant to chapter 15.1-36. The board of university and school lands may invest such
31 funds as are not loaned out as provided in this chapter and may consult with the state

1 investment board as provided by law. The income, including interest payments on
2 loans, from the trust must be used first to replace uncollectible loans made from the
3 fund and the balance must be deposited in the school construction assistance loan
4 fund. Loan principal payments must be redeposited in the trust fund. The trust fund
5 must be perpetual and held in trust as a replacement for depleted natural resources
6 subject to the provisions of this chapter and chapter 15.1-36.

7 2. Fifteen percent must be deposited in the lignite research fund for the purpose of
8 developing advanced energy technology.

9 3. Seventy percent must be allocated to the coal-producing counties and must be
10 distributed among such counties in such proportion as the number of tons [metric tons]
11 of coal severed at each mining operation bears to the total number of tons [metric
12 tons] of coal severed in the state during such monthly period. Allocations under
13 subdivisions a and b must be apportioned by the state treasurer as follows:

14 a. If the tipple of the currently active coal mining operation in a county is not within
15 fifteen miles [24.14 kilometers] of another county in which no coal is mined, the
16 revenue apportioned according to this subdivision must be allocated as follows:

17 (1) Thirty percent must be paid by the state treasurer to the incorporated cities
18 of the county based upon the population of each incorporated city according
19 to the last official regular or special federal census or the census taken in
20 accordance with the provisions of chapter 40-02 in case of a city
21 incorporated subsequent to such census.

22 (2) Forty percent must be paid to the county treasurer who shall deposit it in the
23 county general fund to be used for general governmental purposes.

24 (3) Thirty percent must be apportioned by the state treasurer to school districts
25 within the county on the average daily membership basis, as certified to the
26 state treasurer by the county superintendent of schools.

27 b. If the tipple of a currently active coal mining operation in a county is within fifteen
28 miles [24.14 kilometers] of another county in which no coal is mined, the revenue
29 from the production not exceeding the production limitation in a calendar year
30 which is apportioned from that coal mining operation according to this subsection
31 must be allocated, subject to the definitions of terms and the requirements in

1 paragraph 4, as provided in this subdivision. For purposes of this subdivision, the
2 production limitation is three million eight hundred thousand tons [3447302.02
3 metric tons] through calendar year 1995, three million six hundred thousand tons
4 [3265865.07 metric tons] in calendar years 1996 and 1997, and three million four
5 hundred thousand tons [3084428.12 metric tons] in calendar years after 1997.
6 Revenue from production exceeding the production limitation in a calendar year
7 from that coal mining operation must be allocated only within the coal-producing
8 county under subdivision a. Allocations under this subdivision must be made as
9 follows:

- 10 (1) Thirty percent must be paid by the state treasurer to the incorporated cities
11 of the coal-producing county and to any city of a non-coal-producing county
12 when any portion of the city lies within fifteen miles [24.14 kilometers] of the
13 tiple of the currently active coal mining operation in the coal-producing
14 county, based upon the population of each incorporated city according to
15 the last official regular or special federal census or the census taken in
16 accordance with the provisions of chapter 40-02 in case of a city
17 incorporated subsequent to such census.
- 18 (2) Forty percent must be divided by the state treasurer between the general
19 fund of the coal-producing county and the general fund of any
20 non-coal-producing county when any portion of the latter county lies within
21 fifteen miles [24.14 kilometers] of the tiple of the currently active coal
22 mining operation in the coal-producing county. The non-coal-producing
23 county portion must be based upon the ratio which the assessed valuation
24 of all quarter sections of land in that county, any portion of which lies within
25 fifteen miles [24.14 kilometers] of the tiple of the currently active coal
26 mining operation, bears to the combined assessed valuations of all land in
27 the coal-producing county and the quarter sections of land in the
28 non-coal-producing county within fifteen miles [24.14 kilometers] of the
29 tiple of the currently active coal mining operation. The county director of
30 tax equalization of the coal-producing county shall certify to the state
31 treasurer the number of quarter sections of land in the non-coal-producing

1 counties which lie at least in part within fifteen miles [24.14 kilometers] of
2 the tipple of the currently active coal mining operation and their assessed
3 valuations.

4 (3) Thirty percent must be apportioned by the state treasurer to school districts
5 within the coal-producing county and to school districts in adjoining
6 non-coal-producing counties when a portion of those school districts' land
7 includes any of the quarter sections of land certified by the director of tax
8 equalization to the state treasurer to be eligible to share county funds as
9 provided for in paragraph 2. The county superintendent of the
10 non-coal-producing counties shall certify to the state treasurer the number
11 of students actually residing on these quarter sections lying outside the
12 coal-producing county and each school district in non-coal-producing
13 counties shall receive a portion of the money under this paragraph based
14 upon the ratio of the number of children residing on quarter sections of that
15 school district within the fifteen-mile [24.14-kilometer] radius of the tipple of
16 a currently active coal mining operation to the total number of schoolchildren
17 from the coal-producing county combined with all the schoolchildren
18 certified to be living on quarter sections within fifteen miles [24.14
19 kilometers] of the tipple of the currently active coal mining operation in the
20 coal-producing county.

21 (4) For the purposes of this subdivision:

22 (a) The terms "currently active coal mining operation in a county",
23 "currently active coal mining operation in the coal-producing county",
24 and "currently active coal mining operation" mean a coal mining
25 operation that produced more than one hundred fifty thousand tons
26 [136077.71 metric tons] of coal in a coal-producing county during the
27 prior quarterly period.

28 (b) The term "coal-producing county" means a county in which more than
29 one hundred fifty thousand tons [136077.71 metric tons] of coal were
30 mined in the prior quarterly period.

- 1 (c) The term "another county in which no coal is mined" means a county
2 in which not more than seventy-five thousand tons [68038.86 metric
3 tons] of coal were mined in the prior quarterly period.
- 4 (d) The terms "non-coal-producing county" and "non-coal-producing
5 counties" mean any county in which not more than seventy-five
6 thousand tons [68038.86 metric tons] of coal were mined in the prior
7 quarterly period.
- 8 (e) In computing each amount to be paid as provided in paragraph 1, 2,
9 or 3 for coal severance tax revenue from coal mined during a monthly
10 period, the state treasurer shall deduct from the allocation the amount
11 of coal severance tax revenue, if any, that the governmental body in
12 the non-coal-producing county received from the coal mined in the
13 non-coal-producing county during the same monthly period.
- 14 (5) The state treasurer shall allocate funds provided by legislative appropriation
15 to cities, the county general fund, and school districts within a
16 coal-producing county according to the allocation method provided in
17 subdivision a in an amount to offset fifty percent of the loss of that county's
18 share of coal severance tax revenue allocated to a non-coal-producing
19 county under this subdivision in the previous calendar year. The state
20 treasurer shall make the allocation and distribute the funds, within the limits
21 of legislative appropriations, under this paragraph during the first month of
22 each calendar year. The state treasurer shall include in each biennial
23 budget request the amounts estimated to be necessary for the biennium for
24 purposes of this paragraph, based on the allocations under this subdivision
25 in the most recent calendar years.

26 **SECTION 22. AMENDMENT.** Section 26 of chapter 14 of the 2015 Session Laws is
27 amended and reenacted as follows:

28 **SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH**
29 **DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT**
30 **REPORT.** The capital assets line item in subdivision 2 of section 1 of this Act includes
31 \$17,000,000 from the assets of the Bank of North Dakota for the purpose of

1 constructing a North Dakota financial center on a site adjacent to the existing building
2 in which the Bank is located. The Bank may spend the funding only if the Bank's net
3 income, reported in accordance with financial accounting standards board accounting
4 standards, for calendar year 2015 exceeds \$125,000,000. The funding appropriated
5 for this purpose is not subject to section 54-44.1-11 and any unexpended funds are
6 available during the biennium beginning July 1, 2017, and ending June 30,
7 ~~2019~~through June 30, 2021. The Bank of North Dakota shall report to the legislative
8 management and to the appropriations committees of the sixty-fifth legislative
9 assembly on the use of the funding provided for the North Dakota financial center,
10 including the amounts spent to date and the amounts anticipated to be continued into
11 the 2017-19 biennium, and on the progress of the project.

12 **SECTION 23. REPEAL.** Section 54-17-41 of the North Dakota Century Code is repealed.

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

20 **SECTION 25. EXEMPTION - LIGNITE RESEARCH GRANTS.** The amount appropriated to
21 the industrial commission from the general fund for lignite research grants in the grants line item
22 in section 1 of chapter 14 of the 2015 Session Laws is not subject to the provisions of section
23 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial
24 commission for lignite research grants during the biennium beginning July 1, 2017, and ending
25 June 30, 2019.

26 **SECTION 26. LEGISLATIVE INTENT - RENEWABLE ENERGY DEVELOPMENT FUND.** It
27 is the intent of the sixty-fifth legislative assembly that the industrial commission consider
28 applications for funding from the renewable energy development fund for advanced energy
29 technology development projects.

30 **SECTION 27. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**
31 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite

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

16 **SECTION 28. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF**
17 **NORTH DAKOTA.** The Bank of North Dakota may not construct a North Dakota financial center
18 on a site adjacent to the existing building on which the Bank of North Dakota is located related
19 to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in
20 sections 2 and 26 of chapter 14 of the 2015 Session Laws until after June 30, 2019.

21 **SECTION 29. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE**
22 **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in
23 consultation with the game and fish department, the state department of health, the state water
24 commission, and any other state agencies as necessary, regarding the feasibility of and
25 appropriate jurisdiction for regulation of sediment studies and dredging operations from the
26 beds of reservoirs that retain more than fifty acre-feet of surface water. The study must include
27 consideration of best practices in other states, an outline of any proposed regulations, and a
28 plan to implement a uniform permitting process. The industrial commission shall report to the
29 legislative management by September 30, 2018, regarding the results and recommendations of
30 the study.

1 **SECTION 30. GAIN-SHARING PROGRAM STUDY - REPORT TO LEGISLATIVE**

2 **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in
3 consultation with the North Dakota mill and elevator association regarding the gain-sharing
4 program. The study must include consideration of the costs and benefits of the gain-sharing
5 program, best practices in other milling operations, and the estimated fiscal impact of repealing
6 or modifying the gain-sharing program. The industrial commission shall report to the legislative
7 management by July 1, 2018, regarding the results and recommendations of the study.

8 **SECTION 31. BANK OF NORTH DAKOTA EFFICIENCY STUDY - REPORT.** During the
9 2017-18 interim, the Bank of North Dakota shall conduct a study regarding potential efficiencies
10 in operations. The Bank of North Dakota shall report to the appropriations committees of the
11 sixty-sixth legislative assembly regarding the results and recommendations of the study.

12 **SECTION 32. EXPIRATION DATE.** Section 20 of this Act is effective through June 30,
13 2019, and after that date is ineffective.

14 **SECTION 33. EMERGENCY.** Section 28 of this Act is declared to be an emergency
15 measure.