

Sixty-first  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1221

Introduced by

Representatives Uglem, Glassheim, Griffin, N. Johnson, Nottestad

Senator J. Lee

1 A BILL for an Act to create and enact a new section to chapter 37-17.1 of the North Dakota  
2 Century Code, relating to creation of a political subdivision disaster recovery fund; to amend  
3 and reenact section 21-10-06 of the North Dakota Century Code, relating to investment of the  
4 political subdivision emergency recovery fund; to provide an appropriation; to provide a  
5 continuing appropriation; and to declare an emergency.

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

7 **SECTION 1. AMENDMENT.** Section 21-10-06 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **21-10-06. Funds under management of board - Accounts.**

- 10 1. The board is charged with the investment of the following funds:
- 11 ~~4.~~ a. State bonding fund.
- 12 ~~2.~~ b. Teachers' fund for retirement.
- 13 ~~3.~~ c. State fire and tornado fund.
- 14 ~~4.~~ d. Workforce safety and insurance fund.
- 15 ~~5.~~ e. National guard tuition trust fund.
- 16 ~~6.~~ f. Public employees retirement system.
- 17 ~~7.~~ g. Insurance regulatory trust fund.
- 18 ~~8.~~ h. State risk management fund.
- 19 ~~9.~~ i. Veterans' cemetery trust fund.
- 20 ~~10.~~ j. Health care trust fund.
- 21 ~~11.~~ k. Cultural endowment fund.
- 22 l. Political subdivision disaster recovery fund.

2. Separate accounting must be maintained for each of the ~~above~~ funds under subsection 1. When it is deemed advantageous, the moneys of the individual funds may be commingled for investment purposes.

3. The state investment board may provide investment services to, and manage the money of, any agency, institution, or political subdivision of the state, subject to agreement with the industrial commission. The scope of services to be provided by the state investment board to the agency, institution, or political subdivision must be specified in a written contract. The state investment board may charge a fee for providing investment services and any revenue collected must be deposited in the state retirement and investment fund.

**SECTION 2.** A new section to chapter 37-17.1 of the North Dakota Century Code is created and enacted as follows:

**Political subdivision disaster recovery fund - Administration - Rules - Continuing appropriation.**

1. The political subdivision disaster recovery fund is a special fund in the state treasury administered by the department of emergency services. The state investment board shall manage the investments of the fund in accordance with chapter 21-10. Any earnings or interest upon moneys in the fund are appropriated on a continuing basis for the purposes provided in this section. Section 54-44.1-11 does not apply to the fund. The department may deduct annually up to two percent of the earnings or interest of the fund as an administration fee.

2. On a quarterly basis, the earnings and interest of the fund must be placed in a special operating account that may be used by the department to provide grants as provided under subsection 3.

3. The department shall adopt rules that include eligibility guidelines and procedures for the disbursement of funds from the political subdivision disaster recovery fund. The rules must provide that a political subdivision that has been included within the area of a presidential disaster declaration may be eligible for a grant from the fund to reimburse the political subdivision for up to fifty percent of the disaster, emergency, or recovery cost incurred by the political subdivision in meeting the local cost-share required by the federal emergency management agency and to

1                   reimburse up to fifty percent of any other disaster, emergency, or recovery costs  
2                   incurred by the political subdivision and not covered by the federal emergency  
3                   management agency.

4                   **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the  
5 general fund in the state treasury, not otherwise appropriated, the sum of \$11,500,000, or so  
6 much of the sum as may be necessary, to the department of emergency services for deposit in  
7 the political subdivision disaster recovery fund for the purpose of providing grants to political  
8 subdivisions for emergency and disaster recovery, for the biennium beginning July 1, 2009, and  
9 ending June 30, 2011. Of the amount appropriated under this section, \$1,500,000 must be  
10 deposited in the special operating account created under section 2 of this Act. The remaining  
11 amount must be deposited in the political subdivision disaster recovery fund and only earnings  
12 and interest on that amount may be spent pursuant to section 2 of this Act.

13                   **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.