

Sixty-fifth  
Legislative Assembly  
of North Dakota

# SENATE BILL NO. 2074

Introduced by

Appropriations Committee

(At the request of the Governor)

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 amend and reenact subsection 2 of section 6-09-49 and sections  
4 54-17-40, 54-18-19, and 57-62-02 of the North Dakota Century Code, relating to the  
5 infrastructure revolving loan fund, the housing incentive fund, the transfer of North Dakota mill  
6 and elevator profits to the general fund, and the coal development trust fund; to provide  
7 legislative intent; and to provide an exemption.

## 8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

15 Subdivision 1.

16 INDUSTRIAL COMMISSION			
		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$22,132,229	(\$1,335,116)	\$20,797,113
20 Operating expenses	4,779,135	327,644	5,106,779
21 Grants - bond payments	<u>15,040,829</u>	<u>(1,830,345)</u>	<u>13,210,484</u>
22 Total all funds	\$41,952,193	(\$2,837,817)	\$39,114,376
23 Less estimated income	<u>16,994,447</u>	<u>(643,951)</u>	<u>16,350,496</u>

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1	Total general fund	\$24,957,746	(\$2,193,866)	\$22,763,8800
2	Full-time equivalent positions	116.75	(11.50)	105.25
3	Subdivision 2.			
4	BANK OF NORTH DAKOTA - OPERATIONS			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Bank of North Dakota operations	\$58,542,301	\$1,336,220	\$59,878,521
8	Capital assets	<u>745,000</u>	<u>65,000</u>	<u>810,000</u>
9	Total special funds	\$59,287,301	\$1,401,220	\$60,688,521
10	Full-time equivalent positions	181.50	0.00	181.50
11	Subdivision 3.			
12	MILL AND ELEVATOR ASSOCIATION			
13			Adjustments or	
14		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
15	Salaries and wages	\$36,278,898	\$3,746,270	\$40,025,168
16	Operating expenses	27,327,000	868,000	28,195,000
17	Contingencies	500,000	0	500,000
18	Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
19	Total from mill and elevator fund	\$64,315,898	\$4,614,270	\$68,930,168
20	Full-time equivalent positions	147.00	6.00	153.00
21	Subdivision 4.			
22	HOUSING FINANCE AGENCY			
23			Adjustments or	
24		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
25	Salaries and wages	\$7,745,034	\$513,023	\$8,258,057
26	Operating expenses	3,744,275	1,015,630	4,759,905
27	Grants	25,930,780	5,974,048	31,904,828
28	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
29	Total special funds	\$37,520,089	\$7,502,701	\$45,022,790
30	Full-time equivalent positions	46.00	0.00	46.00
31	Subdivision 5.			

1		BILL TOTAL		
2			Adjustments or	
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Grand total general fund	\$24,957,746	(\$2,193,866)	\$22,763,880
5	Grand total special funds	<u>178,117,735</u>	<u>12,874,240</u>	<u>190,991,975</u>
6	Grand total all funds	\$203,075,481	\$10,680,374	213,755,855

7       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

8       **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
9       items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the  
10      2017-19 one-time funding items included in the grand total appropriation in section 1 of this Act:

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

24      The 2017-19 one-time funding amounts are not a part of the entity's base budget for the  
25      2019-21 biennium. The industrial commission shall report to the appropriations committees of  
26      the sixty-sixth legislative assembly on the use of this one-time funding for the biennium  
27      beginning July 1, 2017, and ending June 30, 2019.

28      **SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$13,210,484  
29      included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be  
30      paid from the following funding sources during the biennium beginning July 1, 2017, and ending  
31      June 30, 2019:

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

14       **SECTION 4. APPROPRIATION.** In addition to the amount appropriated to the housing  
15 finance agency in subdivision 4 of section 1 of this Act, there is appropriated any additional  
16 income or unanticipated income from federal or other funds which may become available to the  
17 agency for the biennium beginning July 1, 2017, and ending June 30, 2019.

18       **SECTION 5. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In addition to  
19 the amount appropriated to the industrial commission in subdivision 1 of section 1 of this Act,  
20 there is appropriated, with the approval of the emergency commission, funds that may become  
21 available to the commission from bonds authorized by law to be issued by the industrial  
22 commission for the biennium beginning July 1, 2017, and ending June 30, 2019.

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

29       **SECTION 7. TRANSFER - BANK OF NORTH DAKOTA TO GENERAL FUND.** During the  
30 biennium beginning July 1, 2017, and ending June 30, 2019, the industrial commission shall  
31 transfer to the general fund \$200,000,000 from the current earnings and the accumulated

1 undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts  
2 and at the times requested by the director of the office of management and budget after  
3 consultation with the Bank of North Dakota president.

4 **SECTION 8. APPROPRIATION - TRANSFER - STRATEGIC INVESTMENT AND**  
5 **IMPROVEMENTS FUND TO LIGNITE RESEARCH FUND.** There is appropriated out of any  
6 moneys in the strategic investment and improvements fund in the state treasury, not otherwise  
7 appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, which the  
8 department of trust lands shall transfer to the lignite research fund during the biennium  
9 beginning July 1, 2017, and ending June 30, 2019.

10 **SECTION 9. TRANSFER.** The sum of \$1,107,337, or so much of the sum as may be  
11 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of  
12 this Act, may be transferred or carried forward from the prior biennium from the entities within  
13 the control of the industrial commission or entities directed to make payments to the industrial  
14 commission fund for administrative services rendered by the commission. Transfers must be  
15 made during the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the  
16 commission. Transfers from the student loan trust fund must be made to the extent permitted by  
17 sections 54-17-24 and 54-17-25.

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

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

28 **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN**  
29 **ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of  
30 \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and

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

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

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

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

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

**SECTION 15. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**

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

**SECTION 16. ADVANCED ENERGY TECHNOLOGY DEVELOPMENT.** The amount of

\$3,000,000 from the lignite research fund included in section 8 of this Act, or so much of the

1 amount as may be necessary, must be used for the purpose of providing grants for advanced  
2 energy technology research and development. Grant recipients must provide a dollar-for-dollar  
3 match.

4 **SECTION 17. INTENT - RENEWABLE ENERGY FUND.** The industrial commission shall  
5 consider applications for funding from the renewable energy fund for advanced energy  
6 technology development projects.

7 **SECTION 18. AMENDMENT.** Subsection 2 of section 6-09-49 of the North Dakota Century  
8 Code is amended and reenacted as follows:

- 9 2. The Bank shall establish priorities for making loans from the infrastructure revolving  
10 loan fund. Loan funds must be used to address the needs of the community by  
11 providing critical infrastructure funding. Except as expressly provided under this  
12 section, a political subdivision may not use infrastructure revolving loan funds for  
13 capital construction. In addition to eligible infrastructure needs established by the  
14 Bank, eligible infrastructure needs may include repair and maintenance of existing  
15 water treatment plants, wastewater treatment plants, sewer and water lines, storm  
16 water and transportation infrastructure, including curb and gutter; new water treatment  
17 plants; new wastewater treatment plants; new sewer lines and water lines; and new  
18 storm water and transportation infrastructure, including curb and gutter construction.

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

21 **54-17-40. (Effective through June 30, 20172019) Housing incentive fund - Continuing**  
22 **appropriation –~~Report to budget section.~~**

- 23 1. The housing incentive fund is created as a special revolving fund at the Bank of North  
24 Dakota. The housing finance agency may direct disbursements from the fund and a  
25 continuing appropriation from the fund is provided for that purpose.
- 26 2. After a public hearing, the housing finance agency shall create an annual allocation  
27 plan for the distribution of the fund. At least twenty-five percent of the fund must be  
28 used to assist developing communities to address an unmet housing need or alleviate  
29 a housing shortage. The agency may collect a reasonable administrative fee from the  
30 fund, project developers, applicants, or grant recipients. The origination fee assessed  
31 to grant recipients may not exceed five percent of the project award.

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

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

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

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



1       4.   Eligible recipients include units of local, state, and tribal government; local and tribal  
2       housing authorities; community action agencies; regional planning councils; and  
3       nonprofit organizations and for-profit developers of multifamily housing. Individuals  
4       may not receive direct assistance from the fund.

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

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

11       **54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

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

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

19       **57-62-02. Allocation of moneys in coal development fund**

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

22       1.   ~~Thirty~~Fifteen percent must be deposited in a permanent trust fund in the state treasury,  
23       to be known as the coal development trust fund, pursuant to section 21 of article X of  
24       the Constitution of North Dakota. Those funds held in trust and administered by the  
25       board of university and school lands on March 5, 1981, pursuant to section 12, chapter  
26       563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,  
27       chapter 626, 1979 Session Laws must also be deposited in the trust fund created  
28       pursuant to this subsection. The fund must be held in trust and administered by the  
29       board of university and school lands for loans to coal-impacted counties, cities, and  
30       school districts as provided in section 57-62-03 and for loans to school districts  
31       pursuant to chapter 15.1-36. The board of university and school lands may invest such

funds as are not loaned out as provided in this chapter and may consult with the state investment board as provided by law. The income, including interest payments on loans, from the trust must be used first to replace uncollectible loans made from the fund and the balance must be deposited in the school construction assistance loan fund. Loan principal payments must be redeposited in the trust fund. The trust fund must be perpetual and held in trust as a replacement for depleted natural resources subject to the provisions of this chapter and chapter 15.1-36.

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

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

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

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

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

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

b. If the tipple of a currently active coal mining operation in a county is within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue from the production not exceeding the production limitation in a calendar year which is apportioned from that coal mining operation according to this subsection

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

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

1                    treasurer the number of quarter sections of land in the non-coal-producing  
2                    counties which lie at least in part within fifteen miles [24.14 kilometers] of  
3                    the tipple of the currently active coal mining operation and their assessed  
4                    valuations.

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

22                  (4) For the purposes of this subdivision:

- 23                  (a) The terms "currently active coal mining operation in a county",  
24                  "currently active coal mining operation in the coal-producing county",  
25                  and "currently active coal mining operation" mean a coal mining  
26                  operation that produced more than one hundred fifty thousand tons  
27                  [136077.71 metric tons] of coal in a coal-producing county during the  
28                  prior quarterly period.
- 29                  (b) The term "coal-producing county" means a county in which more than  
30                  one hundred fifty thousand tons [136077.71 metric tons] of coal were  
31                  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.