

Sixty-second  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2371

Introduced by

Senators Wardner, Christmann, Hogue

Representatives Carlson, Delzer, Vigesaa

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to create and enact a new section to chapter 6-09 and a new subsection to  
2 section 39-12-02 of the North Dakota Century Code, relating to the establishment of a  
3 rebuilders loan program and to special permits for vehicles of excessive size and weight; to  
4 amend and reenact subsection 5 of section 57-35.3-05 and subsections 1 and 5 of section  
5 57-38-01.32 of the North Dakota Century Code, section 4 of chapter 12 of the 2011 Session  
6 Laws, and subsection 4 of section 10 of chapter 12 of the 2011 Session Laws, relating to  
7 financial institutions tax and income tax credits for contributions to the housing incentive fund,  
8 department of transportation borrowing authority for emergency relief projects, and the county  
9 and township road reconstruction program; to provide for a rebuilders loan program, principal  
10 reduction grants, a flood-impacted political subdivision infrastructure development grant  
11 program, road grade raising grants, oil and gas impact grant funding enhancement, and  
12 transportation funding enhancement; to provide for transfers; to provide appropriations; to  
13 provide contingent appropriations and transfers; to provide a continuing appropriation; to  
14 provide statements of legislative intent; to provide for a study; to provide for retroactive  
15 application; to provide an effective date; and to provide an expiration date.

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

17 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created  
18 and enacted as follows:

19 **Rebuilders loan program - Loan fund - Continuing appropriation - Requirements.**

20 1. The Bank of North Dakota shall maintain a loan fund to make or participate in loans to  
21 North Dakota residents affected by a presidentially declared disaster in the state for  
22 the purpose of the resident rebuilding the resident's flood-damaged home or  
23 purchasing a new home in the disaster-impacted community. Up to twenty percent of  
24 the loan proceeds disbursed under this program may be used for debt service, debt

- 1           retirement, or other credit obligations. All moneys transferred into the fund, interest  
2           upon moneys in the fund, and payments to the fund of principal and interest on loans  
3           made from the fund are appropriated for the purpose of providing loans in accordance  
4           with this section.
- 5           2. The Bank shall administer and supervise the loan fund and loans made from the fund.  
6           The Bank may deduct, from interest payments received on loans, a service fee for  
7           administering the fund for the Bank and originating financial institutions. An application  
8           for a loan from the fund must be made to the Bank or originating financial institution  
9           and, upon approval, a loan must be made from the fund in accordance with this  
10           section.
- 11           3. A loan may be made from the fund only to a homeowner residing in an area in this  
12           state in which federal emergency management agency individual assistance was  
13           available to homeowners after a presidentially declared disaster in the state as a result  
14           of a flood event occurring during 2011. A loan may be made from the fund only to a  
15           homeowner residing in this state whose home was granted a reduction in 2011 in true  
16           and full valuation from the individual's property's preflood value by an assessment  
17           reduction pursuant to the governor's executive order 2011-22 or by an abatement for  
18           flood-damaged property granted by the board of county commissioners. An initial loan  
19           made to a homeowner under this section from state funds may not exceed thirty  
20           thousand dollars or the actual amount of documented damage not paid by flood  
21           insurance, whichever is less. If federal funds are made available for this program, an  
22           additional amount as determined by the Bank may be borrowed by eligible  
23           homeowners who received an initial loan of thirty thousand dollars.
- 24           4. A loan from the fund must have the interest rate fixed at one percent per year for no  
25           more than twenty years.
- 26           5. For every loan made from the fund, principal and interest payments must be deferred  
27           for the first twenty-four months of the loan.
- 28           6. A loan application under this section may not be accepted after September 30, 2012.
- 29           7. If, subsequent to receiving a loan from the fund, the property for which the loan was  
30           made is purchased for flood mitigation purposes or otherwise sold, the balance of the

1           loan and any interest accrued on the loan must be repaid to the fund upon the closing  
2           of the sale.

3           8.   The industrial commission shall contract with a certified public accounting firm to audit  
4           the fund as necessary. The cost of the audit, and any other actual costs incurred by  
5           the Bank on behalf of the fund, must be paid by the fund.

6           9.   The Bank shall adopt policies to implement this section.

7           **SECTION 2.** A new subsection to section 39-12-02 of the North Dakota Century Code is  
8 created and enacted as follows:

9           A multitrip permit for nondivisible loads may be issued for specific routes identified in  
10          the permit application. The fee for this permit is the single trip permit fee multiplied by  
11          the number of days the permit is valid. This subsection does not apply to special  
12          mobile equipment or loads over one hundred fifty thousand pounds [68038.86  
13          kilograms].

14          **SECTION 3. AMENDMENT.** Subsection 5 of section 57-35.3-05 of the North Dakota  
15 Century Code is amended and reenacted as follows:

16          5.   There is allowed a credit against the tax imposed by sections 57-35.3-01 through  
17          57-35.3-12 in an amount equal to the contribution to the housing incentive fund under  
18          section 54-17-40. ~~The taxpayer may not claim more than twenty percent of the credit~~  
19          ~~for each separate contribution made in any taxable year.~~ For the purposes of the credit  
20          allowed in this subsection, subsections 2 through 8 of section 57-38-01.32 apply.

21          **SECTION 4. AMENDMENT.** Subsections 1 and 5 of section 57-38-01.32 of the North  
22 Dakota Century Code are amended and reenacted as follows:

23          1.   A taxpayer is entitled to a credit as determined under this section against state income  
24          tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing  
25          incentive fund under section 54-17-40. The amount of the credit is equal to the amount  
26          contributed to the fund during the taxable year. ~~The taxpayer may not claim more than~~  
27          ~~twenty percent of the credit for each separate contribution made in any taxable year.~~

28          5.   The aggregate amount of tax credits allowed to all eligible contributors is limited to  
29          fourfifteen million dollars per biennium. This limitation applies to all contributions for  
30          which tax credits are claimed under section 57-35.3-05 and this section.

1       **SECTION 5. AMENDMENT.** Section 4 of chapter 12 of the 2011 Session Laws is amended  
2 and reenacted as follows:

3               **SECTION 4. APPROPRIATION - BORROWING AUTHORITY - ADDITIONAL**  
4       **EMERGENCY RELIEF PROGRAM.** The department of transportation may borrow the  
5 sum of ~~\$120,000,000~~\$200,000,000, or so much of the sum as may be necessary, from  
6 the Bank of North Dakota for the purpose of providing funding for emergency relief  
7 projects on the state highway system, for the period beginning with the effective date  
8 of this Act and ending June 30, 2013. Any funding borrowed from the Bank of North  
9 Dakota under this section is appropriated to the department of transportation for  
10 emergency relief projects on the state highway system. Funding appropriated under  
11 this section is considered one-time funding and is not to be considered a part of the  
12 department's 2013-15 base budget request. Any federal funding received for projects  
13 receiving funding under this section must be used to repay the loan from the Bank of  
14 North Dakota.

15       **SECTION 6. AMENDMENT.** Subsection 4 of section 10 of chapter 12 of the 2011 Session  
16 Laws is amended and reenacted as follows:

- 17               4. The funding included in the county and township road reconstruction  
18 program line item in section 1 of this Act may be used for:
- 19               a. Ninety percent of the cost of the approved paved roadway projects not  
20               to exceed the funding available for that county.
  - 21               b. ~~Twenty-five~~Ninety percent of the cost of the approved unpaved  
22               roadway projects not to exceed the funding available for that county.
  - 23               c. Funding may be used for construction, engineering, and plan  
24               development costs.

25       **SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - REBUILDERS LOAN**  
26 **PROGRAM FUND.** The Bank of North Dakota shall transfer the sum of \$30,000,000, or so  
27 much of the sum as may be necessary, from the Bank's current earnings and undivided profits  
28 to the rebuilders loan program fund during the period beginning with the effective date of this  
29 Act and ending June 30, 2013.

30       **SECTION 8. CONTINGENT APPROPRIATION - TRANSFER - REBUILDERS LOAN**  
31 **PROGRAM FUND.** In the event moneys transferred pursuant to section 7 of this Act are fully

1 obligated prior to June 30, 2013, there is appropriated out of any moneys in the general fund in  
2 the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum  
3 as may be necessary, which the office of management and budget shall transfer to the  
4 rebuilders loan program fund during the period beginning with the effective date of this Act and  
5 ending June 30, 2013.

6 **SECTION 9. APPROPRIATION - ADJUTANT GENERAL - FUNDING FOR REBUILDERS**  
7 **LOAN PROGRAM AND FLOOD-IMPACTED HOUSING REHABILITATION - CITY AND**

8 **COUNTY AUTHORITY.** There is appropriated out of any moneys in the state disaster relief fund  
9 in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the  
10 sum as may be necessary, to the adjutant general for the purpose of providing funds to the  
11 Bank of North Dakota's rebuilders loan program fund and to cities and counties for flood-  
12 impacted housing rehabilitation, for the period beginning with the effective date of this Act and  
13 ending June 30, 2013. Funds made available to cities and counties under this section must be  
14 used by the city or county as deemed most effective in that community to assist homeowners in  
15 rehabilitation or replacement of their flood-damaged homes and to retain homeowners in the  
16 community.

17 **SECTION 10. APPROPRIATION - LAND DEPARTMENT - FLOOD-IMPACTED**  
18 **POLITICAL SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS -**

19 **ADMINISTRATION.** There is appropriated out of any moneys in the general fund in the state  
20 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be  
21 necessary, to the commissioner of university and school lands for the purpose of providing  
22 infrastructure development grants to flood-impacted political subdivisions, for the period  
23 beginning with the effective date of this Act and ending June 30, 2013. The funding provided in  
24 this section is considered a one-time funding item. Up to \$110,000 of this appropriation may be  
25 used by the commissioner of university and school lands for salaries and operating expenses  
26 relating to the administration of this grant program.

27 **SECTION 11. FLOOD-IMPACTED POLITICAL SUBDIVISION INFRASTRUCTURE**  
28 **DEVELOPMENT GRANTS - CRITERIA - DISTRIBUTION.**

29 1. The energy infrastructure and impact office director shall:

- 1           a.    Develop a plan for providing infrastructure development grants to eligible political  
2                    subdivisions and establish procedures and forms to be used for making  
3                    applications for funds.
- 4           b.    Receive and review applications for infrastructure development grants pursuant  
5                    to this section.
- 6           c.    Make recommendations to the board of university and school lands on grants to  
7                    eligible political subdivisions pursuant to this section.
- 8        2.    The board of university and school lands shall award and distribute infrastructure  
9                    development grants to eligible political subdivisions based on identified needs.
- 10       3.    Eligible political subdivisions include counties, as well as cities, school districts, and  
11                    other political subdivisions located within such counties, which have received an  
12                    individual assistance designation by the federal emergency management agency  
13                    relating to a flood event that occurred during 2011.
- 14       4.    Grants received by eligible political subdivisions may be used to offset up to fifty  
15                    percent of the costs not otherwise reimbursed through federal or other state funds to:  
16                    a.    Develop new community infrastructure, the need for which is directly related to  
17                            the displacement of residents due to flooding. For the purposes of this Act,  
18                            infrastructure includes community-owned waterlines, sewer, curb, and gutter.
- 19                    b.    Evaluate the extent of damage to community-owned infrastructure.
- 20                    c.    Restore or repair flood-related damage to community-owned infrastructure.
- 21                    d.    Expand landfill capacity or reimburse flood-related waste disposal costs.
- 22                    e.    Raise roads or develop flood control structures.
- 23                    f.    Acquire property needed for floodway development or levy construction.
- 24                    g.    Acquire homes damaged by levy construction.
- 25                    h.    Provide reimbursement for other flood-related expenses.

26           **SECTION 12. LEGISLATIVE INTENT - FLOOD-IMPACTED POLITICAL SUBDIVISION**  
27 **INFRASTRUCTURE DEVELOPMENT GRANTS.** The legislative assembly intends that the  
28 moneys appropriated to and distributed by the commissioner of university and school lands for  
29 flood-impacted political subdivision infrastructure development grants are to be used by  
30 grantees to address needs not funded by other state or federal response or insurance  
31 coverage.

1       **SECTION 13. APPROPRIATION - DEPARTMENT OF COMMERCE - FLOOD-RELATED**  
2 **COSTS.** There is appropriated from special funds derived from federal funds the sum of  
3 \$235,000,000, or so much of the sum as may be necessary, to the department of commerce for  
4 the purpose of providing loans or grants to flood-impacted individuals, property acquisitions,  
5 and infrastructure development grants to flood-impacted communities, for the period beginning  
6 with the effective date of this Act and ending June 30, 2013.

7       **SECTION 14. APPROPRIATION - STATE DISASTER RELIEF FUND - DEPARTMENT OF**  
8 **TRANSPORTATION - ROAD GRADE RAISING GRANTS.** Notwithstanding section 37-17.1-27,  
9 there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not  
10 otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to  
11 the department of transportation for grants to eligible counties for federal aid-eligible road grade  
12 raising projects, for the period beginning with the effective date of this Act and ending June 30,  
13 2013. The director of the department of transportation shall distribute funds on a prorated basis  
14 based on the total federal aid-eligible roadway damage occurring in the eligible counties. For  
15 purposes of this section, an eligible county is one that contains any portion of a natural body of  
16 water that comprises more than one hundred fifty thousand acres at current water levels and  
17 has risen more than twenty-five feet since 1993.

18       **SECTION 15. APPROPRIATION - ADJUTANT GENERAL - STATE DISASTER RELIEF**  
19 **FUND.** There is appropriated out of any moneys in the state disaster relief fund, not otherwise  
20 appropriated, the sum of \$29,500,000, or so much of the sum as may be necessary, to the  
21 adjutant general for the purposes of providing the required state share of funding for defraying  
22 the expenses associated with presidentially declared state disasters, for the period beginning  
23 with the effective date of this Act and ending June 30, 2013.

24       **SECTION 16. CONTINGENT APPROPRIATION - ADJUTANT GENERAL - 2012**  
25 **DISASTERS.** If a disaster event occurring during 2012 exceeds \$50,000,000 in damages  
26 across the state, there is appropriated out of any moneys in the state disaster relief fund in the  
27 state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as  
28 may be necessary, to the adjutant general for the purpose of providing grants to political  
29 subdivisions for a portion of the local share required to match federal emergency relief funding  
30 relating to the disaster, for the period beginning with the effective date of this Act and ending  
31 June 30, 2013. A political subdivision may apply to the adjutant general for an emergency relief

1 grant under this subsection for up to fifty percent of the local match required to receive the  
2 federal emergency relief funding.

3 **SECTION 17. APPROPRIATION - TRANSFER - STATE DISASTER RELIEF FUND.** The  
4 office of management and budget shall transfer \$48,700,000 from the state general fund to the  
5 state disaster relief fund during the period beginning with the effective date of this Act and  
6 ending June 30, 2013.

7 **SECTION 18. STATE WATER COMMISSION - FLOODWAY PROPERTY ACQUISITION  
8 AND CONSTRUCTION FUNDING.** In its future plans, the state water commission shall place a  
9 high priority on providing funding for floodway property acquisitions and construction. The  
10 funding must be used to supplement federal hazard mitigation grant funds or other federal funds  
11 for acquiring property and for the construction of flood control projects in qualifying political  
12 subdivisions, including necessary funding for any state or local match requirements. For  
13 purposes of this section, qualifying political subdivisions are cities or counties that are eligible  
14 for federal emergency management agency hazard mitigation grant funding or other  
15 comparable federal programs for flood mitigation and have received, or are located within  
16 counties that have received, an individual assistance designation by the federal emergency  
17 management agency as a result of a flood event occurring during 2011.

18 **SECTION 19. APPROPRIATION - STATE WATER COMMISSION - RESOURCES TRUST  
19 FUND.** There is appropriated out of any moneys in the resources trust fund, not otherwise  
20 appropriated, the sum of \$50,000,000, or so much of the sum as may be necessary, to the state  
21 water commission for the purpose of defraying the expenses of that agency, for the period  
22 beginning with the effective date of this Act and ending June 30, 2013. As provided in section 4  
23 of chapter 46 of the 2011 Session Laws, expenditures pursuant to this section require budget  
24 section approval.

25 **SECTION 20. APPROPRIATION - ADJUTANT GENERAL - FLOOD-DAMAGED SCHOOL  
26 INFRASTRUCTURE GRANTS.** There is appropriated out of any moneys in the general fund in  
27 the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as  
28 may be necessary, to the adjutant general for the purpose of providing flood-damaged school  
29 infrastructure grants to eligible school districts in the state to defray expenses relating to school  
30 buildings or other infrastructure damage due to flooding, for the period beginning with the  
31 effective date of this Act and ending June 30, 2013. For the purposes of this section, an eligible

1 school district is a school district that experienced a flood event during the summer of 2011  
2 which resulted in multiple school facilities being damaged and determined to be unusable.

3 **SECTION 21. APPROPRIATION - FULL-TIME EQUIVALENT POSITIONS - HIGHWAY**

4 **PATROL.** There is appropriated out of any moneys in the general fund in the state treasury, not  
5 otherwise appropriated, the sum of \$681,870, or so much of the sum as may be necessary, to  
6 the highway patrol for the purpose of hiring additional patrol officers, for the period beginning  
7 with the effective date of this Act and ending June 30, 2013. The highway patrol is authorized  
8 four additional full-time equivalent positions.

9 **SECTION 22. FLEX PACE PROGRAM USE.** The Bank of North Dakota shall utilize the flex  
10 partnership in assisting community expansion program to assist in financing of affordable  
11 multifamily housing units for individuals in areas of North Dakota affected by oil and gas  
12 development, for the period beginning with the effective date of this Act and ending June 30,  
13 2013.

14 **SECTION 23. CONTINGENT APPROPRIATION - TRANSFER - OIL AND GAS IMPACT**

15 **GRANT FUND.** There is appropriated out of any moneys in the general fund in the state  
16 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be  
17 necessary, which the office of management and budget shall transfer to the oil and gas impact  
18 grant fund during the period beginning April 1, 2012, and ending June 30, 2013. The office of  
19 management and budget may transfer this funding only if the tax commissioner certifies that  
20 total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012,  
21 exceed total oil and gas tax revenue collection projections for that period by at least  
22 \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative  
23 session.

24 **SECTION 24. CONTINGENT APPROPRIATION - LAND DEPARTMENT - OIL AND GAS**

25 **IMPACT GRANTS.** If the office of management and budget transfers \$30,000,000 from the  
26 general fund to the oil and gas impact grant fund in accordance with provisions of section 23 of  
27 this Act, there is appropriated out of any moneys in the oil and gas impact grant fund in the state  
28 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be  
29 necessary, to the commissioner of university and school lands for providing oil and gas impact  
30 grants in accordance with sections 57-62-03.1 and 57-62-05, for the period beginning April 1,  
31 2012, and ending June 30, 2013. The commissioner of university and school lands shall request

1 appropriation authority for the 2013-15 biennium for any grants approved but not distributed by  
2 the end of the 2011-13 biennium. In determining grant awards with the funds appropriated in  
3 this section, the commissioner shall give priority to grants relating to emergency services,  
4 including licensed emergency medical services operations, fire districts and departments, sheriff  
5 offices, and police departments providing service in an area affected by oil and gas  
6 development. Any amounts made available for emergency services grants under this section  
7 are not to be considered in making grant recommendations under section 57-62-05.

8 **SECTION 25. APPROPRIATION - TRANSFER - OIL AND GAS IMPACT GRANT FUND.**

9 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
10 appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the  
11 office of management and budget shall transfer to the oil and gas impact grant fund only as  
12 necessary to provide funding for grants distributed under section 26 of this Act during the period  
13 beginning with the effective date of this Act and ending June 30, 2013.

14 **SECTION 26. APPROPRIATION - LAND DEPARTMENT - OIL AND GAS IMPACT**

15 **GRANT FUND.** There is appropriated out of any moneys in the oil and gas impact grant fund in  
16 the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as  
17 may be necessary, to the commissioner of university and school lands for the purpose of  
18 providing distributions to eligible counties experiencing new oil and gas development activities,  
19 for the period beginning with the effective date of this Act and ending June 30, 2013. As  
20 determined by the director of the department of mineral resources, a county is eligible for a  
21 distribution under this section if the county produced fewer than one hundred thousand barrels  
22 of oil for the month of November 2011 and after November 2011 the number of active oil rigs  
23 operating in the county in any one month exceeds four rigs. Upon the determination by the  
24 director of the department of mineral resources that a county is eligible for a distribution under  
25 this section, the commissioner of university and school lands shall provide \$1,250,000 to the  
26 county for defraying expenses associated with oil and gas development impacts in the county.  
27 The county, in determining the use of the funds received, shall consider and, to the extent  
28 possible, address the needs of other political subdivisions in the county resulting from the  
29 impact of oil and gas development.

30 **SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER -**  
31 **TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL**

1 **SUBDIVISIONS.** If the tax commissioner certifies that total oil and gas tax revenue collections  
2 for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue  
3 collection projections for that period by at least \$48,000,000, based on legislative estimates  
4 made at the close of the 2011 regular legislative session, there is appropriated out of any  
5 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
6 \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the  
7 purpose of providing transportation funding distributions, for the period beginning with the  
8 effective date of this Act and ending June 30, 2013. The funding provided in this section is  
9 considered a one-time funding item. The state treasurer shall distribute the funds provided  
10 under this section on April 1, 2012, as follows:

- 11 1. Six million eight hundred thousand dollars to non-oil-producing counties and cities  
12 pursuant to subsection 4 of section 54-27-19.
- 13 2. One million seven hundred thousand dollars to counties and townships in non-oil-  
14 producing counties pursuant to section 54-27-19.1. Organized townships are not  
15 required to provide matching funds to receive distributions under this section.
- 16 3. Fourteen million five hundred thousand dollars to counties and townships in  
17 non-oil-producing counties through a distribution of \$10,000 to each organized  
18 township and a distribution of \$10,000 for each unorganized township to the county in  
19 which the unorganized township is located. If any funds remain after the distributions  
20 provided under this subsection, the state treasurer shall distribute eighty percent of the  
21 remaining funds to counties and cities pursuant to the method provided in  
22 subsection 1 of this section and shall distribute twenty percent of the remaining funds  
23 to counties and townships pursuant to the method provided in subsection 2 of this  
24 section.

25 For purposes of this section, a "non-oil-producing county" means a county that received no  
26 allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state  
27 fiscal year 2011. Any funds received by a county under this section for an unorganized township  
28 distribution must be used for roadway purposes in those unorganized townships located in the  
29 county. All funds distributed under this section must be used for extraordinary roadway  
30 maintenance purposes.

1       **SECTION 28. APPROPRIATION - LITIGATION AND ADMINISTRATIVE PROCEEDINGS**

2       **COSTS - REPORT TO BUDGET SECTION.** There is appropriated out of any moneys in the  
3 general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so  
4 much of the sum as may be necessary, to the industrial commission for the purpose of defraying  
5 expenses associated with possible litigation and other administrative proceedings involving the  
6 United States environmental protection agency's effort to regulate hydraulic fracturing, for the  
7 period beginning with the effective date of this Act and ending June 30, 2013. The industrial  
8 commission may spend the general fund moneys appropriated in this section only for expenses  
9 relating to possible litigation and other administrative proceedings involving the United States  
10 environmental protection agency's efforts to regulate hydraulic fracturing and any moneys not  
11 spent must be canceled pursuant to section 54-44.1-11. The industrial commission shall report  
12 quarterly to the budget section during the 2011-12 interim regarding the status of any litigation  
13 and other administrative proceedings.

14       **SECTION 29. FLOOD RESPONSE AND COORDINATION STUDY - REPORT TO**

15 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The department of emergency services shall  
16 coordinate an executive branch study of flood response measures and coordination of state,  
17 local, and federal resources to mitigate future flooding in the state. The department of  
18 emergency services shall utilize all relevant executive branch resources in conducting the study.  
19 The study must include potential flood plain building restrictions, establishment of permanent  
20 levees and diversion works, financial institution lending policies, Bank of North Dakota and  
21 housing finance agency acquisition of secondary market loans regarding flood insurance  
22 requirements for housing, and any other flood insurance issues affecting property owners in the  
23 state. The department of emergency services shall report the findings and recommendations of  
24 the study to committees designated by the chairman of the legislative management and to the  
25 sixty-third legislative assembly.

26       **SECTION 30. EXEMPTION.** The amount appropriated to the commissioner of university  
27 and school lands pursuant to section 10 of this Act is not subject to the provisions of section  
28 54-44.1-11. Any unexpended funds from this appropriation are available for continuing the grant  
29 program authorized by this Act during the biennium beginning July 1, 2013, and ending June  
30 30, 2015.

1       **SECTION 31. RETROACTIVE APPLICATION.** Section 6 of this Act applies retroactively to  
2 July 1, 2011.

3       **SECTION 32. EFFECTIVE DATE.** This Act becomes effective November 14, 2011.

4       **SECTION 33. EXPIRATION DATE.** Section 2 of this Act is effective through December 31,  
5 2013, and is thereafter ineffective. Sections 3 and 4 of this Act are effective for the first two  
6 taxable years beginning after December 31, 2010, and are thereafter ineffective.