

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1014

Introduced by

Appropriations Committee

1 A BILL for an Act to provide for an appropriation for defraying the expenses of the industrial
2 commission and the agencies under the management of the industrial commission; to create
3 and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a
4 rebuilders home loan program; to amend and reenact section 54-17-40 and subdivision f of
5 subsection 1 of section 57-51-15 of the North Dakota Century Code and section 7 of House Bill
6 No. 1435, as approved by the sixty-sixth legislative assembly, relating to the housing incentive
7 fund, the fund balance of the abandoned oil and gas well plugging and site reclamation fund,
8 and a transfer to the statewide interoperable radio network fund; to provide a contingent
9 authorization; to provide for a transfer; ~~and to provide for a contingent transfer~~; to provide an
10 exemption; to provide for a report; to provide for a study; to provide a statement of legislative
11 intent; and to declare an emergency.

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

13 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
14 as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and
16 other income to the industrial commission and agencies under its control for the purpose of
17 defraying the expenses of the industrial commission and agencies under its control, for the
18 biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

19 Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
22 Salaries and wages	\$22,014,084	\$1,282,736	\$23,296,820
24 Operating expenses	5,305,888	686,099	5,991,987

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1	Capital assets	0	5,000,000	5,000,000
2	Grants - bond payments	13,210,484	(2,701,717)	10,508,767
3	Contingencies	221,737	7,807	229,544
4	Total all funds	\$40,752,193	\$4,274,925	\$45,027,118
5	Less estimated income	15,343,206	2,644,219	17,987,425
6	Total general fund	\$25,408,987	\$1,630,706	\$27,039,693
7	<u>Salaries and wages</u>	<u>\$22,014,084</u>	<u>\$1,570,366</u>	<u>\$23,584,450</u>
8	<u>Operating expenses</u>	<u>5,305,888</u>	<u>794,339</u>	<u>6,100,227</u>
9	<u>Capital assets</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>
10	<u>Grants - bond payments</u>	<u>13,210,484</u>	<u>(2,701,717)</u>	<u>10,508,767</u>
11	<u>Contingencies</u>	<u>221,737</u>	<u>7,807</u>	<u>229,544</u>
12	<u>Total all funds</u>	<u>\$40,752,193</u>	<u>\$4,670,795</u>	<u>\$45,422,988</u>
13	<u>Less estimated income</u>	<u>15,343,206</u>	<u>2,650,584</u>	<u>17,993,790</u>
14	<u>Total general fund</u>	<u>\$25,408,987</u>	<u>\$2,020,211</u>	<u>\$27,429,198</u>

15	Full-time equivalent positions	110.25	2.00	112.25
16	Subdivision 2.			

BANK OF NORTH DAKOTA

			Adjustments or	
	Base Level	Enhancements	Appropriation	
20	Bank of North Dakota operations	\$58,489,204	\$4,165,031	\$62,654,235
21	Capital assets	810,000	700,000	1,510,000
22	Total special funds	\$59,299,204	\$4,865,031	\$64,164,235
23	<u>Bank of North Dakota operations</u>	<u>\$58,489,204</u>	<u>\$4,358,595</u>	<u>\$62,847,799</u>
24	<u>Capital assets</u>	<u>810,000</u>	<u>700,000</u>	<u>1,510,000</u>
25	<u>Total special funds</u>	<u>\$59,299,204</u>	<u>\$5,058,595</u>	<u>\$64,357,799</u>

26	Full-time equivalent positions	181.50	0.00	181.50
27	Subdivision 3.			

HOUSING FINANCE AGENCY

			Adjustments or	
	Base Level	Enhancements	Appropriation	
31	Salaries and wages	\$7,892,056	\$569,743	\$8,461,799

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1	Operating expenses	4,743,355	602,921	5,346,276
2	Grants	31,794,828	1,671,772	33,466,600
3	Housing finance agency contingencies	100,000	0	100,000
4	Total special funds	\$44,530,239	\$2,844,436	\$47,374,675
5	<u>Salaries and wages</u>	<u>\$7,892,056</u>	<u>\$616,959</u>	<u>\$8,509,015</u>
6	<u>Operating expenses</u>	<u>4,743,355</u>	<u>602,921</u>	<u>5,346,276</u>
7	<u>Grants</u>	<u>31,794,828</u>	<u>1,671,772</u>	<u>33,466,600</u>
8	<u>Housing finance agency contingencies</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
9	<u>Total special funds</u>	<u>\$44,530,239</u>	<u>\$2,891,652</u>	<u>\$47,421,891</u>
10	Full-time equivalent positions	44.00	0.00	44.00

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
15	Salaries and wages	\$39,308,519	\$6,984,293	\$46,292,812
16	Operating expenses	28,195,000	1,642,000	29,837,000
17	Contingencies	500,000	0	500,000
18	Agriculture promotion	210,000	0	210,000
19	Total special funds	\$68,213,519	\$8,626,293	\$76,839,812
20	Full-time equivalent positions	153.00	2.00	155.00
21	<u>Salaries and wages</u>	<u>\$39,308,519</u>	<u>\$7,139,305</u>	<u>\$46,447,824</u>
22	<u>Operating expenses</u>	<u>28,195,000</u>	<u>1,642,000</u>	<u>29,837,000</u>
23	<u>Contingencies</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>
24	<u>Agriculture promotion</u>	<u>210,000</u>	<u>0</u>	<u>210,000</u>
25	<u>Total special funds</u>	<u>\$68,213,519</u>	<u>\$8,781,305</u>	<u>\$76,994,824</u>
26	<u>Full-time equivalent positions</u>	<u>153.00</u>	<u>3.00</u>	<u>156.00</u>

Subdivision 5.

BILL TOTAL

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
31	Grand total general fund	\$25,408,987	\$1,630,706	\$27,039,693

1	Grand total special funds	187,386,168	18,979,979	206,366,147
2	Grand total all funds	\$212,795,155	\$20,610,685	\$233,405,840
3	Grand total general fund	\$25,408,987	\$9,540,211	\$34,949,198
4	Grand total special funds	187,386,168	19,382,136	206,768,304
5	Grand total all funds	\$212,795,155	\$28,922,347	\$241,717,502

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time

funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

10	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
11	Litigation	\$1,000,000	\$0
12	Industrial water supply asset study	150,000	0
13	Soil remediation studies	5,000,000	0
14	Survey review	800,000	0
15	Rare earth elements study	0	160,000
16	Fracturing sand study	0	110,000
17	Oil database software upgrade	0	5,000,000
18	Total special funds	\$6,950,000	\$5,270,000
19	Litigation	\$1,000,000	\$0
20	Industrial water supply asset study	150,000	0
21	Soil remediation studies	5,000,000	0
22	Survey review	800,000	0
23	Temporary employees	0	175,000
24	Rare earth elements study	0	160,000
25	Fracturing sand study	0	110,000
26	Oil database software upgrade	0	5,000,000
27	Total all funds	\$6,950,000	\$5,445,000
28	Less estimated income	6,950,000	5,270,000
29	Total general fund	\$0	\$175,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The industrial commission shall report to the appropriations

1 committees of the sixty-seventh legislative assembly on the use of this one-time funding for the
2 biennium beginning July 1, 2019, and ending June 30, 2021.

3 **SECTION 3. BOND PAYMENTS.** The amount of \$10,508,767 included in subdivision 1 of
4 section 1 of this Act in the grants - bond payments line item must be paid from the following
5 funding sources during the biennium beginning July 1, 2019, and ending June 30, 2021:

6 North Dakota university system	\$4,959,448
7 North Dakota university system - energy conservation projects	415,664
8 Department of corrections and rehabilitation	689,299
9 Department of corrections and rehabilitation - energy conservation projects	16,180
10 State department of health	644,884
11 Job service North Dakota	434,847
12 Office of management and budget	567,125
13 Attorney general's office	647,500
14 State historical society	1,177,875
15 Parks and recreation department	66,875
16 Research and extension service	483,337
17 Veterans' home	<u>405,733</u>
18 Total	\$10,508,767

19 **SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.**

20 In addition to the amount appropriated to the housing finance agency in subdivision 3 of
21 section 1 of this Act, there is appropriated any additional income or unanticipated income from
22 federal or other funds which may become available to the agency for the biennium beginning
23 July 1, 2019, and ending June 30, 2021. The housing finance agency shall notify the office of
24 management and budget and the legislative council of any additional income or unanticipated
25 income that becomes available to the agency resulting in an increase in appropriation authority.

26 **SECTION 5. APPROPRIATION - TRANSFER GENERAL FUND TO HIGH-LEVEL**

27 **RADIOACTIVE WASTE FUND.** There is appropriated out of any moneys in the general fund in
28 the state treasury, not otherwise appropriated, the sum of \$20,000, which the office of
29 management and budget shall transfer to the high-level radioactive waste fund during the
30 biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this
31 section is considered a one-time funding item.

1 **SECTION 6. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING**

2 **INCENTIVE FUND.** There is appropriated out of any moneys in the general fund in the state
3 treasury, not otherwise appropriated, the sum of \$7,500,000, which the office of management
4 and budget shall transfer to the housing incentive fund during the biennium beginning July 1,
5 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time
6 funding item.

7 **SECTION 7. CONTINGENT ~~APPROPRIATION~~FUNDING - INDUSTRIAL COMMISSION**

8 **FUNDING.** The amount of \$229,544 from the general fund and two full-time equivalent positions
9 included in subdivision 1 of section 1 of this Act may be spent only in accordance with the
10 provisions of this section. The industrial commission shall notify the office of management and
11 budget and the legislative council when the total number of wells capable of production and
12 injection exceeds twenty thousand eight hundred. Subject to budget section approval, the
13 industrial commission may spend \$229,544 from the contingencies line item and may hire two
14 full-time equivalent positions if the total number of oil wells capable of production and injection
15 exceeds twenty thousand eight hundred.

16 **SECTION 8. TRANSFER - ENTITIES UNDER THE CONTROL OF THE INDUSTRIAL**

17 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of ~~\$1,150,782~~\$1,172,603, or
18 so much of the sum as may be necessary, included in the appropriation in subdivision 1 of
19 section 1 of this Act, may be transferred from the entities within the control of the industrial
20 commission or entities directed to make payments to the industrial commission fund for
21 administrative services rendered by the commission. Transfers must be made during the
22 biennium beginning July 1, 2019, and ending June 30, 2021, upon order of the commission.
23 Transfers from the student loan trust fund must be made to the extent permitted by
24 sections 54-17-24 and 54-17-25.

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

26 The industrial commission shall transfer to the general fund \$140,000,000 from the current
27 earnings and the accumulated profits of the Bank of North Dakota during the biennium
28 beginning July 1, 2019, and ending June 30, 2021. The moneys must be transferred in the
29 amounts and at the times requested by the director of the office of management and budget
30 after consultation with the Bank of North Dakota president. For legislative council budget status
31 reporting purposes, the transfer under this section is considered an ongoing revenue source.

1 **SECTION 10. TRANSFER - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.**

2 The Bank of North Dakota shall transfer the sum of \$26,000,000, or so much of the sum as may
3 be necessary, from the Bank's current earnings and undivided profits to the partnership in
4 assisting community expansion fund during the biennium beginning July 1, 2019, and ending
5 June 30, 2021.

6 **SECTION 11. TRANSFER - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY**

7 **EXPANSION.** The Bank of North Dakota shall transfer the sum of ~~\$3,000,000~~\$4,000,000, or so
8 much of the sum as may be necessary, from the Bank's current earnings and undivided profits
9 to the agriculture partnership in assisting community expansion fund during the ~~biennium-~~
10 ~~beginning July 1, 2019,~~period beginning with the effective date of this Act and ending June 30,
11 2021. The Bank may use up to \$1,000,000 of the funding provided in this section to expand the
12 parameters for the agriculture partnership in assisting community expansion program to assist
13 farmers and livestock producers that suffered extraordinary losses related to river flooding in the
14 state due to ice jams in the winter and spring of 2019 for the period beginning with the effective
15 date of this Act and ending June 30, 2021.

16 **SECTION 12. TRANSFER - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY**

17 **EXPANSION.** The Bank of North Dakota shall transfer the sum of \$1,000,000, or so much of the
18 sum as may be necessary, from the Bank's current earnings and undivided profits to the
19 biofuels partnership in assisting community expansion fund during the biennium beginning
20 July 1, 2019, and ending June 30, 2021.

21 **SECTION 13. TRANSFER - BEGINNING FARMER REVOLVING LOAN FUND.** The Bank

22 of North Dakota shall transfer the sum of \$6,000,000, or so much of the sum as may be
23 necessary, from the Bank's current earnings and undivided profits to the beginning farmer
24 revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

25 **SECTION 14. TRANSFER - NORTH DAKOTA DEVELOPMENT FUND.** The Bank of North

26 Dakota shall transfer the sum of \$15,000,000, or so much of the sum as may be necessary,
27 from the Bank's current earnings and undivided profits to the North Dakota development fund
28 established under chapter 10-30.5 during the biennium beginning July 1, 2019, and ending
29 June 30, 2021. Funding transferred under this section must be used to purchase existing
30 venture capital assets held by the Bank of North Dakota.

1 **SECTION 15. TRANSFER - REBUILDERS LOAN PROGRAM PAYMENTS TO**
2 **REBUILDERS HOME LOAN FUND.** From the principal payments received under the rebuilders
3 loan program established in section 6-09-46, which were designated to replenish the Bank of
4 North Dakota's current earnings and undivided profits pursuant to section 3 of chapter 83 of the
5 2013 Session Laws, the Bank shall transfer the sum of \$3,750,000 to the rebuilders home loan
6 fund during the period beginning with the effective date of this Act and ending June 30, 2021.
7 Any funds not committed to loans by September 30, 2020, must be returned to the Bank's
8 current earnings and undivided profits.

9 **SECTION 16. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND**
10 **IMPROVEMENTS FUND TO INFRASTRUCTURE REVOLVING LOAN FUND.** The office of
11 management and budget shall transfer up to \$40,000,000 of any oil and gas tax revenues
12 deposited in the strategic investment and improvements fund during the period August 1, 2017,
13 through July 31, 2019, exceeding \$755,000,000, from the strategic investment and
14 improvements fund to the infrastructure revolving loan fund established under section 6-09-49,
15 during the biennium beginning July 1, 2019, and ending June 30, 2021.

16 **SECTION 17. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
17 **FUND.** The operating expenses line item and the estimated income line item in subdivision 1 of
18 section 1 of this Act include \$270,000 from the strategic investment and improvements fund for
19 a rare earth element study and a fracturing sand study.

20 **SECTION 18. ESTIMATED INCOME - ABANDONED OIL AND GAS WELL PLUGGING**
21 **AND SITE RECLAMATION FUND.** The capital assets line item and the estimated income line
22 item in subdivision 1 of section 1 of this Act include \$5,000,000 from the abandoned oil and gas
23 well plugging and site reclamation fund for a risk-based data management system information
24 technology project.

25 **SECTION 19. OIL AND GAS RESEARCH FUND - RECYCLING PRODUCED WATER**
26 **STUDY - REPORT TO LEGISLATIVE MANAGEMENT.** Pursuant to the continuing
27 appropriation in section 57-51.1-07.3, the industrial commission shall use \$300,000, or so much
28 of the sum as may be necessary, from the oil and gas research fund to contract with the
29 sponsor of the proposal selected for the study. The industrial commission shall issue a request
30 for proposals for a study regarding the recycling of water used in oil and gas operations, also
31 known as produced water, from oil and gas-producing regions of North Dakota. The study must

1 include the development or compilation of data regarding methods for the recycling of produced
2 water specific to this state, and must examine the relevant, objective economic, regulatory,
3 scientific, technological, and feasibility considerations. The contractor shall provide reports on
4 the status of the study at the request of the legislative management during the 2019-20 interim
5 and shall provide a final report to the legislative management by October 1, 2020.

6 **SECTION 20.** A new section to chapter 6-09 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Rebuilders home loan program - Rebuilders home loan fund - Continuing**
9 **appropriation - Requirements.**

- 10 1. There is created in the state treasury the rebuilders home loan fund administered by
11 the Bank of North Dakota. The fund consists of all moneys transferred to the fund by
12 the legislative assembly. All moneys in the fund are appropriated to the Bank on a
13 continuing basis for the rebuilders home loan program.
- 14 2. The Bank shall develop policies to implement this section. The Bank shall make or
15 participate in loans to North Dakota residents affected by river flooding in the state due
16 to ice jams in the winter and spring of 2019. Loans are available for rebuilding the
17 resident's flood-damaged home or rebuilding nonowner-occupied property. A loan from
18 the fund must have the interest rate fixed at one percent per year for no more than
19 twenty years. A loan made to a homeowner or owner of nonowner-occupied property
20 under this section may not exceed the lesser of seventy-five thousand dollars or the
21 actual amount of documented damage not paid by flood insurance. For purposes of
22 this section, "nonowner-occupied property" means property consisting of one or more
23 rental dwelling units, none of which is occupied by the owner, and does not include
24 hotel or motel accommodations or any other commercial property. For a resident
25 rebuilding the resident's flood-damaged home, up to twenty percent of the loan
26 proceeds disbursed under this program may be used for debt service, debt retirement,
27 or other credit obligations. For every loan made from the fund to a homeowner to
28 rebuild or replace that individual's flood-damaged home, principal and interest
29 payments must be deferred for the first twenty-four months of the loan. There is no
30 deferral of principal and interest payments for a loan for nonowner-occupied property.

1 3. A resident homeowner or owner of nonowner-occupied property is eligible for a loan
2 under this section only if the home or property is located in an area affected by river
3 flooding in the state due to ice jams in the winter and spring of 2019. To qualify for a
4 loan under this section, the owner of nonowner-occupied property must have been the
5 owner at the time of the flooding event, and the number of rental dwelling units in the
6 property rebuilt under this section must remain the same as before the flooding event.
7 A loan to the owner of nonowner-occupied property must be secured by the property
8 for which the loan is made.

9 4. An application for a loan from the fund must be made to the Bank or originating
10 financial institution, and, upon approval, a loan must be made from the fund in
11 accordance with this section. An application for a loan to a homeowner or for a loan for
12 nonowner-occupied property under this section may not be accepted after
13 September 30, 2020.

14 5. Repayments to the rebuilders home loan fund must be transferred annually to
15 replenish the Bank's current earnings and undivided profits which were transferred to
16 the rebuilders home loan fund. If, subsequent to receiving a loan from the fund, the
17 property for which the loan was made is purchased for flood mitigation purposes or
18 otherwise sold, the balance of the loan and any interest accrued on the loan must be
19 repaid to the fund upon the closing of the sale. If the borrower provides financial
20 evidence satisfactory to the Bank to show that the borrower does not have the
21 financial ability to repay the loan in full upon sale of the property, after the sale of the
22 property the Bank may allow the borrower to continue to make payments based on the
23 loan terms.

24 6. The Bank may deduct, from interest payments received on loans, a service fee for
25 administering the fund for the Bank and originating financial institutions. The Bank
26 shall contract with a certified public accounting firm to audit the fund as necessary.
27 The cost of the audit, and any other actual costs incurred by the Bank on behalf of the
28 fund, must be paid by the fund.

29 **SECTION 21. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **54-17-40. Housing incentive fund - Continuing appropriation - Report to budget**
2 **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~~^{fifteen} percent of
8 the fund must be used to assist developing communities to address an unmet
9 housing need or alleviate a housing shortage.
- 10 b. The annual allocation plan must give ~~first~~ priority ~~through its scoring and ranking~~
11 ~~process to housing for essential service workers. For purposes of this subsection,~~
12 ~~"essential service workers" means individuals employed by a city, county, school~~
13 ~~district, medical or long-term care facility, the state of North Dakota, or others as~~
14 ~~determined by the housing finance agency who fulfill an essential public service.~~
- 15 ~~c. The second priority in the annual allocation plan must be~~ to provide housing for
16 individuals and families of low or moderate income. For purposes of this ~~second~~
17 priority, eligible income limits are determined as a percentage of median family
18 income as published in the most recent federal register notice. Under this ~~second~~
19 priority, the annual allocation plan must give preference to projects that benefit
20 households with the lowest income and to projects that have rent restrictions at
21 or below department of housing and urban development published federal fair
22 market rents or department of housing and urban development section 8
23 payment standards.
- 24 3. The housing finance agency shall adopt guidelines for the fund so as to address
25 unmet housing needs in this state. Assistance from the fund may be used solely for:
26 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
27 b. Gap assistance, matching funds, and accessibility improvements;
28 c. Assistance that does not exceed the amount necessary to qualify for a loan using
29 underwriting standards acceptable for secondary market financing or to make the
30 project feasible; and

1 d. Rental assistance, emergency assistance, or targeted supportive services
2 designated to prevent homelessness.

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

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

11 6. The agency may collect a reasonable administrative fee from the fund, project
12 developers, applicants, or grant recipients. The origination fee assessed to grant
13 recipients may not exceed five percent of the project award.

14 7. ~~The housing finance agency shall maintain a register reflecting the number of housing~~
15 ~~units owned or master leased by cities, counties, school districts, or other employers~~
16 ~~of essential service workers. This register must also reflect those entities that are~~
17 ~~providing rent subsidies for their essential workers.~~

18 ~~8.~~ Upon request, the housing finance agency shall report to the industrial commission
19 regarding the activities of the housing incentive fund.

20 9.8. At least once per biennium, the housing finance agency shall provide a report to the
21 budget section of the legislative management regarding the activities of the housing
22 incentive fund. ~~The report must include the following:~~

23 ~~a. The overall number of units owned, master leased, or subsidized by political~~
24 ~~subdivisions or other employers of essential service workers; and~~

25 ~~b. A listing of projects approved and the number of units within those projects that~~
26 ~~provide housing for essential service workers.~~

27 **SECTION 22. AMENDMENT.** Subdivision f of subsection 1 of section 57-51-15 of the North
28 Dakota Century Code is amended and reenacted as follows:

29 f. (1) For the period beginning September 1, 2017, and ending August 31, 2019,
30 the state treasurer shall allocate four percent of the amount available under
31 this subsection to the abandoned oil and gas well plugging and site

1 reclamation fund, but not in an amount exceeding four million dollars per
2 fiscal year and not in an amount that would bring the balance in the fund to
3 more than ~~one hundred~~fifty million dollars.

- 4 (2) After August 31, 2019, the state treasurer shall allocate four percent of the
5 amount available under this subsection to the abandoned oil and gas well
6 plugging and site reclamation fund, but not in an amount exceeding seven
7 million five hundred thousand dollars per fiscal year and not in an amount
8 that would bring the balance in the fund to more than ~~one hundred~~fifty
9 million dollars.

10 **SECTION 23. AMENDMENT.** Section 7 of House Bill No. 1435, as approved by the
11 sixty-sixth legislative assembly, is amended and reenacted as follows:

12 **SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
13 **STATEWIDE INTEROPERABLE RADIO NETWORK FUND.** ~~The~~After other moneys
14 in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the
15 strategic investment and improvements fund, and the \$80,000,000 line of credit have
16 been used, the industrial commission shall transfer the sum of \$20,000,000 from the
17 current earnings and accumulated undivided profits of the Bank of North Dakota to the
18 statewide interoperable radio network fund, during the period beginning with the
19 effective date of this Act, and ending June 30, 2021.

20 **SECTION 24. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH**
21 **DAKOTA OUTDOOR HERITAGE FUND.** Notwithstanding the provisions of section 57-51-15
22 relating to the allocations to the North Dakota outdoor heritage fund, for the period beginning
23 September 1, 2019, and ending August 31, 2021, the state treasurer shall allocate eight percent
24 of the oil and gas gross production tax revenue available under subsection 1 of section
25 57-51-15 to the North Dakota outdoor heritage fund, but not in an amount exceeding
26 \$7,500,000 per fiscal year.

27 **SECTION 25. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND**
28 **GAS RESEARCH FUND - PILOT PROJECT FOR UNDERGROUND GAS STORAGE.**

- 29 1. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the
30 oil and gas research fund, for the period beginning August 1, 2019, and ending
31 July 31, 2021, the state treasurer shall deposit two percent of the oil and gas gross

1 production tax and oil extraction tax revenues, up to ~~\$14,000,000~~\$16,000,000, into the
2 oil and gas research fund before depositing oil and gas tax revenues under section
3 57-51.1-07.5.

- 4 2. Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial
5 commission shall use ~~\$4,000,000~~\$6,000,000, or so much of the sum as may be
6 necessary, from the oil and gas research fund to contract with the energy and
7 environmental research center for ~~a pilot project~~pilot projects relating to the
8 underground storage of produced natural gas. The pilot ~~project~~projects may include
9 studies and demonstration projects. During the 2019-20 interim, the energy and
10 environmental research center shall provide quarterly reports to the industrial
11 commission and at least one report to the legislative management regarding the
12 results and recommendations of the pilot project.

13 **SECTION 26. EXEMPTION - INDUSTRIAL COMMISSION FUND.** The amount of
14 \$1,103,779 appropriated to the industrial commission in subdivision 1 of section 1 of chapter 39
15 of the 2017 Session Laws and transferred pursuant to section 8 of chapter 39 of the
16 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended
17 funds from this appropriation are available to the industrial commission for administrative
18 services rendered by the commission during the biennium beginning July 1, 2019, and ending
19 June 30, 2021.

20 **SECTION 27. EXEMPTION - SURVEY REVIEW - STRATEGIC INVESTMENT AND**
21 **IMPROVEMENTS FUND.** The amount of \$800,000 appropriated from the strategic investment
22 and improvements fund in section 2 of chapter 426 of the 2017 Session Laws is not subject to
23 section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial
24 commission for expert legal testimony associated with the survey review during the biennium
25 beginning July 1, 2019, and ending June 30, 2021.

26 **SECTION 28. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**
27 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite
28 research fund, or so much of the amount as may be necessary, may be used for the purpose of
29 contracting for an independent, nonmatching lignite marketing feasibility study or studies that
30 determine those focused priority areas where near-term, market-driven projects, activities, or
31 processes will generate matching private industry investment and have the most potential of

1 preserving existing lignite production and industry jobs or that will lead to increased
2 development of lignite and its products and create new lignite industry jobs and economic
3 growth for the general welfare of this state. Moneys appropriated pursuant to this section also
4 may be used for the purpose of contracting for nonmatching studies and activities in support of
5 the lignite vision 21 program; for litigation that may be necessary to protect and promote the
6 continued development of lignite resources; for nonmatching externality studies and activities in
7 externality proceedings; or other marketing, environmental, or transmission activities that assist
8 with marketing of lignite-based electricity and lignite-based byproducts. Moneys needed for the
9 purposes stated in this section are available to the industrial commission for funding projects,
10 processes, or activities under the lignite research, development, and marketing program.

11 **SECTION 29. HEDGING STRATEGIES STUDY - BANK OF NORTH DAKOTA - REPORT**
12 **TO LEGISLATIVE ASSEMBLY.** During the 2019-20 interim, the Bank of North Dakota shall
13 conduct a study on the use of various hedging strategies to protect the state from volatile
14 swings in oil prices. Before January 15, 2021, the Bank of North Dakota shall report the results
15 of its study to the appropriations committees of the sixty-seventh legislative assembly.

16 **SECTION 30. LEGISLATIVE INTENT - LIGNITE RESEARCH FUND - LIGNITE**
17 **LITIGATION.** It is the intent of the sixty-sixth legislative assembly that at least \$500,000 of the
18 funding in section 28 of this Act and any funding deposited in the lignite research fund related to
19 successful litigation is available from the lignite research fund to be used to pay fees associated
20 with lignite litigation that may be brought by the state to protect and promote the continued
21 development of lignite resources.

22 **SECTION 31. EMERGENCY.** Sections 11, 15, and 20 of this Act are declared to be an
23 emergency measure.