

HOUSE BILL NO. 1070

Introduced by

Government and Veterans Affairs Committee

(At the request of the Adjutant General)

1 A BILL for an Act to create and enact three new sections to chapter 37-17.1 of the North Dakota
2 Century Code, relating to the establishment and administration of a hazard mitigation revolving
3 loan fund.

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

5 **SECTION 1.** Three new sections to chapter 37-17.1 of the North Dakota Century Code are
6 created and enacted as follows:

7 **Hazard mitigation revolving loan fund - Purposes - Establishment.**

8 There is created a hazard mitigation revolving loan fund to coordinate funding for hazard
9 mitigation activities in North Dakota. The department of emergency services will administer this
10 fund in accordance with the Safeguarding Tomorrow through Ongoing Risk Mitigation Act
11 [Pub. L. 116-284; 134 Stat. 4869]. Grants from the federal government or its agencies, including
12 the federal emergency management agency, provided to the state for the capitalization of the
13 hazard mitigation revolving loan fund, and required state matching funds, must be deposited in
14 the hazard mitigation revolving loan fund in compliance with the terms of the grants. The
15 principal of the grants must remain available for providing financial assistance as allowed under
16 the Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat.
17 4869]. When moneys in the revolving loan fund are not required for current expenditures, they
18 must be invested in interest-bearing obligations.

19 **Department - Powers and duties - Administration.**

20 The department of emergency services shall administer the hazard mitigation revolving loan
21 fund and has the following powers and duties:

- 22 1. Apply for and accept grants of money from the United States federal emergency
23 management agency or other federal agencies. Grant funds must be deposited in the
24 hazard mitigation revolving loan fund to be used for purposes authorized under the

1 Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134

2 Stat. 4869], including:

- 3 a. Provide loans or loan guarantees, or other financial assistance, to local
4 governments for projects eligible for assistance from the revolving loan fund.
5 b. If the bond proceeds are deposited in the revolving loan fund, act as a source of
6 revenue and security for the payment of principal and interest on bonds issued by
7 the state.
8 c. Provide other financial and technical assistance and to make any other
9 expenditure authorized under federal law.
10 d. Earn interest before the disbursement of financial or technical assistance.
11 e. Pay administrative expenses associated with the revolving loan fund as
12 authorized under the Safeguarding Tomorrow through Ongoing Risk Mitigation
13 Act [Pub. L. 116-284; 134 Stat. 4869].

14 2. Enter into contracts and other agreements to implement the hazard mitigation
15 revolving loan fund. The department may combine the financial administration of the
16 hazard mitigation revolving loan fund with the financial administration of the drinking
17 water treatment revolving loan fund established under section 61-28.1-11 and the
18 water pollution control revolving loan fund established under chapter 61-28.2.

19 3. Administer and disburse funds in accordance with the Safeguarding Tomorrow through
20 Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat. 4869].

21 4. Establish assistance priorities and expend grant funds pursuant to the priority list for
22 the hazard mitigation revolving loan fund.

23 **Hazard mitigation revolving loan fund - Loan authorization.**

24 1. When approved by the emergency commission, the office of the adjutant general is
25 authorized to borrow from the Bank of North Dakota, to match federal funds provided
26 for the implementation of the hazard mitigation revolving loan fund. In addition to the
27 principal repayment, the Bank of North Dakota shall receive interest on the loan at a
28 rate equal to other state agency borrowings. After the state receives approval from the
29 federal emergency management agency to fund projects that utilize the hazard
30 mitigation revolving loan fund, the office of the adjutant general shall submit a request
31 to the emergency commission for:

- 1 a. Approval to make an application for a loan from the Bank of North Dakota;
- 2 b. Approval for additional personnel required to perform the anticipated mitigation
- 3 activities; and
- 4 c. If required, authority to spend additional state and federal funds for the mitigation
- 5 program.
- 6 2. If the request is acceptable, the emergency commission shall approve the request and
- 7 issue a notice of its action to the office of the adjutant general, Bank of North Dakota,
- 8 and the office of management and budget. The office of the adjutant general shall
- 9 keep the emergency commission apprised of the progress of the hazard mitigation
- 10 revolving loan fund and report on the implementation of the loan fund on an annual
- 11 basis. The office of the adjutant general is responsible to repay any loan, including
- 12 accrued interest, from the Bank of North Dakota which is provided under this section.
- 13 If at the end of the biennium a balance exists on the loan, the office of the adjutant
- 14 general shall request the legislative assembly for a deficiency appropriation to repay
- 15 the loan.