

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; and to provide a continuing appropriation.

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 - Continuing**
8 **appropriation.**

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

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

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

- 1 1. Apply for and accept grants of money from the United States federal emergency
2 management agency or other federal agencies. Grant funds must be deposited in the
3 hazard mitigation revolving loan fund to be used for purposes authorized under the
4 Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134
5 Stat. 4869], including:
 - 6 a. Provide loans or loan guarantees, or other financial assistance, to local
7 governments for projects eligible for assistance from the revolving loan fund.
 - 8 b. If the bond proceeds are deposited in the revolving loan fund, act as a source of
9 revenue and security for the payment of principal and interest on bonds issued by
10 the state.
 - 11 c. Provide other financial and technical assistance and to make any other
12 expenditure authorized under federal law.
 - 13 d. Earn interest before the disbursement of financial or technical assistance.
 - 14 e. Pay administrative expenses associated with the revolving loan fund as
15 authorized under the Safeguarding Tomorrow through Ongoing Risk Mitigation
16 Act [Pub. L. 116-284; 134 Stat. 4869].
- 17 2. Enter into contracts and other agreements to implement the hazard mitigation
18 revolving loan fund. The department may combine the financial administration of the
19 hazard mitigation revolving loan fund with the financial administration of the drinking
20 water treatment revolving loan fund established under section 61-28.1-11 and the
21 water pollution control revolving loan fund established under chapter 61-28.2.
- 22 3. Administer and disburse funds in accordance with the Safeguarding Tomorrow through
23 Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat. 4869].
- 24 4. Establish assistance priorities and expend grant funds pursuant to the priority list for
25 the hazard mitigation revolving loan fund.

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

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

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