

**2021 HOUSE ENERGY AND NATURAL RESOURCES**

**HB 1215**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HB 1215

2/4/2021

relating to a low-interest park district loan program; to a transfer of funds to the park district loan fund, to provide a continuing appropriation, and to provide a transfer

10:10 AM

Present: Representatives Porter, Damschen, Anderson, Bosch, Devlin, Heinert, Keiser, Lefor, Marshall, Roers Jones, M Ruby, Zubke, Guggisberg, and Ista.

### Discussion Topics:

- Outdoor Heritage fund
- loan funds
- administration costs

#5280 Cole Higlin, public policy committee chair, NDRPA

#5279 Kylee Merkel, business banker, Gov't Programs & Economic Development

### Additional written testimony:

#5378 Matt Perdue, gov't relations director, ND Farmers Union

#5311 Kelvin Hullet, market mgr or E.D. and Government Programs

10:26 AM

*Kathleen Davis, Committee Clerk*

**Testimony of Cole Higlin  
North Dakota Recreation & Park Association  
To House Energy and Natural Resources Committee  
In Opposition to HB 1215  
Thursday, February 4, 2021**

Chairman Porter and members of the Committee, my name is Cole Higlin, and I am the public policy committee chair for the North Dakota Recreation & Park Association (NDRPA). We represent more than 900 members, primarily park districts, and work to advance parks, recreation and conservation for an enhanced quality of life in North Dakota. We are in opposition to HB 1215 as it is written.

First and foremost, we appreciate the efforts to introduce this bill to assist in funding for park districts. However, as the bill is written, there are a few items of concern.

The bill transfers 10 percent of oil extraction moneys from the Outdoor Heritage Fund to a new park district loan program. The Outdoor Heritage Fund receives moneys from oil and gas gross production tax rather than oil extraction. As a result, no funds would be transferred to the new program.

Currently, park districts are eligible for funding from the Outdoor Heritage Fund, which requires a 75/25 match. This bill would shift funds from the grant opportunity to a loan program. There are park districts who are facing significant challenges due to COVID and would not be able to secure a loan and would instead benefit from funding through a grant program. Park districts would prefer the structure of the Outdoor Heritage Fund grant program.

Lastly, no specific loan criteria has been provided to determine who or what projects would qualify for the loan program.

NDRPA urges a do not pass recommendation on HB 1215 as written. Thank you for the opportunity to address the Committee.

**TESTIMONY, HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE  
FEBRUARY 3, 2021  
HOUSE BILL 1215**

**KYLEE MERKEL – LARGE PROJECT AND GOVERNMENT PROGRAMS BANKER  
BANK OF NORTH DAKOTA**

Mr. Chairman and members of the Energy and Natural Resources Committee, I am Kylee Merkel, large project and government programs banker for the Bank of North Dakota. I am testifying in a neutral position on HB1215 but do want to provide an amendment related to the administration of the proposed loan program. The amendment establishes the service fee to provide administrative costs for BND.

**40-49-26. Park district loan program - Continuing appropriation.**

A park district loan fund is established. The moneys transferred to the park district loan fund under subsection 2 of section 54-17.8-02 are made available to the Bank of North Dakota on a continuing basis for making loans in accordance with this section. [The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the outstanding loans.](#)

The service fee is a reflection of the fixed costs to the Bank to administer loans shared over the portfolios. Over the last two sessions, in cooperation with the Legislature a “Government Rate” with standardized language for servicing loans and administrated programs on behalf of the legislature was established at .50 basis points or one-half of one percent.

The service fee is determined by accounting for the fixed costs of the Bank including salaries, building expenses, IT & Data Processing, office supplies, etc for services related to the loan portfolio. The administrated programs are counted in with the total loan portfolio balance to create a scale of efficiency. The short math in calculating the service fee is:

BND loan Portfolio Balance	\$4,442,253,551
Administered loans & Programs	<u>\$ 724,500,000</u>
Total Loan Portfolio Balance	<u>\$5,166,753,551</u>
Total Fixed Costs	\$ 26,590,042

The formula to determine the service fee is to divide the fixed costs (\$26,590,042) by the total loan portfolio balance. (\$5,166,753,551) which results in a basis point cost of .51%.

We request your approval of our amendment and I am happy to answer any questions.





Contact:  
**Matt Perdue, Lobbyist**  
[mperdue@ndfu.org](mailto:mperdue@ndfu.org) | 701.641.3303

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**Testimony of  
Matt Perdue  
North Dakota Farmers Union  
Before the  
House Energy and Natural Resources Committee  
February 4, 2021**

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Mr. Chairman and members of the committee,

Thank you for the opportunity to submit testimony on House Bill No. 1215. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members.

NDFU opposes HB 1215, because it reduces funding for the Outdoor Heritage Fund (OHF). The OHF has a proven track record of enhancing working agricultural lands, developing and conserving wildlife habitat, and promoting fishing, hunting and recreational opportunities.

Since its establishment in 2013, OHF has supported a wide variety of projects of all shapes and sizes and in every county in North Dakota. Those projects range from grazing lands improvements, pollinator and wildlife habitat enhancements, and waterway protection and maintenance projects. OHF has also funded park and playground improvements, recreational paths, fishing docks and boat ramps. Through these investments, OHF has improved North Dakota's landscape for the state's residents and visitors to enjoy.

NDFU the diverse stakeholder groups represented on the OHF Advisory Board are central to the fund's success. As prescribed by NDCC 54-17.8-06, the advisory board consists of representatives of the agriculture, energy, conservation, business and parks and recreation communities. Together, these stakeholders are able to identify projects that will deliver the greatest benefit to North Dakota citizens.

We respectfully urge a "Do Not Pass" on HB 1215. Thank you for your consideration.



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February 4, 2021

Kelvin Hullet, Market Manager for ED and Government Programs  
Bank of North Dakota  
HB1215

Position: Neutral

Kelvin Hullet will not have specific testimony related to the policy proposed in the bill but will be available to answer questions related to BND's role in administrating the loan fund.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee

Coteau AB Room, State Capitol

HB 1215

2/11/2021

relating to a low-interest park district loan program; to a transfer of funds to the park district loan fund, to provide a continuing appropriation, and to provide a transfer

### 9:20 AM

Present: Representatives Porter, Damschen, Anderson, Bosch, Devlin, Heinert, Keiser, Lefor, Marschall, Roers Jones, M Ruby, Zubke, Guggisberg, and Ista.

### Discussion Topics:

- Outdoor Heritage fund
- Loan funds
- Rejected project
- Administration costs
- Interest rates for bonds

#6380, #6381 Rep M Ruby

Rep Ruby moved to adopt amendment 21.0695.01003, seconded by Rep Zubke. Voice vote. Motion carried.

Rep Ruby moved a Do Pass as Amended, seconded by Rep Zubke.

Representatives	Vote
Representative Todd Porter	Y
Representative Chuck Damschen	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	N
Representative Bill Devlin	Y
Representative Ron Guggisberg	N
Representative Pat D. Heinert	Y
Representative Zachary Ista	N
Representative George Keiser	Y
Representative Mike Lefor	Y
Representative Andrew Marschall	Y
Representative Shannon Roers Jones	Y
Representative Matthew Ruby	Y
Representative Denton Zubke	Y

Motion carried. 11 – 3 – 0 Rep Lefor is carrier.

10:36 AM

*Kathleen Davis, Committee Clerk*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1215

- Page 1, line 1, replace "section 40-49-26" with "a new section to chapter 54-17.8"
- Page 1, line 2, replace "a low-interest park district loan program" with "an outdoor heritage revolving loan fund"
- Page 1, line 3, replace "park district loan" with "outdoor heritage revolving loan"
- Page 1, line 4, remove "and"
- Page 1, line 4, after "transfer" insert "; and to provide an effective date"
- Page 1, remove lines 6 through 23
- Page 2, remove lines 1 through 4
- Page 2, line 13, replace "oil extraction moneys deposited in" with "oil and gas gross production tax collections allocated to"
- Page 2, line 14, after "fund" insert "under section 57-51-15"
- Page 2, line 14, after "a" insert "cumulative"
- Page 2, line 14, remove "deposit from the oil extraction moneys"
- Page 2, line 15, replace "are" with "must be"
- Page 2, line 15, after "transferred" insert "by the state treasurer"
- Page 2, line 15, remove "park district loan fund established"
- Page 2, line 16, replace "under section 40-49-26" with "outdoor heritage revolving loan fund under section 2 of this Act"
- Page 2, after line 16, insert:

**"SECTION 2.** A new section to chapter 54-17.8 of the North Dakota Century Code is created and enacted as follows:

**Outdoor heritage revolving loan fund - Continuing appropriation.**

1. There is created in the state treasury the outdoor heritage revolving loan fund. The fund consists of all oil and gas gross production tax revenue transferred under section 54-17.8-02, interest upon moneys in the fund, and principal and interest payments to the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis to provide loans based on recommendations from the North Dakota outdoor heritage advisory board and for administrative costs pursuant to this section.
2. The advisory board shall make recommendations for loans under this section. To be eligible for a loan under this section, a project must meet the criteria under section 54-17.8-03. Projects not eligible for other state funding must be given priority for loans under this section. Loans may not be issued from the fund until after July 31, 2025.

3. The Bank of North Dakota shall develop policies for the loans in consultation with the advisory board, and the policies may include provisions for loan participation with local financial institutions. To be eligible for a loan under this section, the entity shall agree to provide the Bank with information as requested. The Bank shall review loan applications. For a loan under this section, the term may not exceed twenty years, and the interest rate must be the prevailing interest rate charged to North Dakota governmental entities. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund if the fund has any outstanding loans. The cost of the audit must be paid from the fund.

**SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas gross production tax revenue allocations after July 31, 2021."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1215: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1215 was placed on the Sixth order on the calendar.

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Page 1, line 3, replace "park district loan" with "outdoor heritage revolving loan"

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2. The advisory board shall make recommendations for loans under this section. To be eligible for a loan under this section, a project must meet the criteria under section 54-17.8-03. Projects not eligible for other state funding must be given priority for loans under this section. Loans may not be issued from the fund until after July 31, 2025.



3. The Bank of North Dakota shall develop policies for the loans in consultation with the advisory board, and the policies may include provisions for loan participation with local financial institutions. To be eligible for a loan under this section, the entity shall agree to provide the Bank with information as requested. The Bank shall review loan applications. For a loan under this section, the term may not exceed twenty years, and the interest rate must be the prevailing interest rate charged to North Dakota governmental entities. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund if the fund has any outstanding loans. The cost of the audit must be paid from the fund.

**SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas gross production tax revenue allocations after July 31, 2021."

Renumber accordingly

21.0695.01003  
Title.

Prepared by the Legislative Council staff for  
Representative M. Ruby  
February 5, 2021

# PROPOSED AMENDMENTS TO HOUSE BILL NO. 1215

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## **Outdoor heritage revolving loan fund - Continuing appropriation.**

1. There is created in the state treasury the outdoor heritage revolving loan fund. The fund consists of all oil and gas gross production tax revenue transferred under section 54-17.8-02, interest upon moneys in the fund, and principal and interest payments to the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis to provide loans based on recommendations from the North Dakota outdoor heritage advisory board and for administrative costs pursuant to this section.
2. The advisory board shall make recommendations for loans under this section. To be eligible for a loan under this section, a project must meet the criteria under section 54-17.8-03. Projects not eligible for other state funding must be given priority for loans under this section. Loans may not be issued from the fund until after July 31, 2025.



3. The Bank of North Dakota shall develop policies for the loans in consultation with the advisory board, and the policies may include provisions for loan participation with local financial institutions. To be eligible for a loan under this section, the entity shall agree to provide the Bank with information as requested. The Bank shall review loan applications. For a loan under this section, the term may not exceed twenty years and the interest rate must be the prevailing interest rate charged to North Dakota governmental entities. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund if the fund has any outstanding loans. The cost of the audit must be paid from the fund.

**SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas gross production tax revenue allocations after July 31, 2021."

Renumber accordingly

21.0695.01003

Sixty-seventh  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1215**

Introduced by

Representatives M. Ruby, Dockter, Headland, Lefor, Louser, Paulson, Porter

Senators Bekkedahl, Burckhard, Krebsbach

1 A BILL for an Act to create and enact ~~section 40-49-26~~ a new section to chapter 54-17.8 of the  
2 North Dakota Century Code, relating to ~~a low-interest park district loan program~~ an outdoor  
3 heritage revolving loan fund; to amend and reenact section 54-17.8-02 of the North Dakota  
4 Century Code, relating to a transfer of funds to the ~~park district loan~~ outdoor heritage revolving  
5 loan fund; to provide a continuing appropriation; ~~and~~ to provide a transfer; and to provide an  
6 effective date.

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

8 ~~SECTION 1. Section 40-49-26 of the North Dakota Century Code is created and enacted as~~  
9 ~~follows:~~

~~**40-49-26. Park district loan program - Continuing appropriation.**~~

11 ~~1. A park district loan fund is established. The moneys transferred to the park district loan~~  
12 ~~fund under subsection 2 of section 54-17.8-02 are made available to the Bank of North~~  
13 ~~Dakota on a continuing basis for making loans in accordance with this section.~~

14 ~~2. The industrial commission shall approve projects and loans under this section, and the~~  
15 ~~Bank of North Dakota shall manage and administer the loans. Loans made under this~~  
16 ~~section must be made at the same interest rate as loans made from the revolving loan~~  
17 ~~fund established under chapters 61-28.1 and 61-28.2.~~

18 ~~3. The industrial commission shall consider the following information when evaluating~~  
19 ~~proposed projects and may adopt policies for review and approval of loans for~~  
20 ~~proposed projects:~~

21 ~~a. The nature and purposes of the proposed project, including an explanation of the~~  
22 ~~need for the project, the reasons why the project is in the public interest, and the~~  
23 ~~overall economic impact of the project;~~

- ~~b. The estimated cost of the project, the amount of the loan sought, and other proposed sources of funding; and~~
- ~~c. The extent to which completion of the project will provide a benefit to the state or park district.~~
- ~~4. Park district projects not eligible for other state funding must be given priority for loans under this section.~~

**SECTION 1. AMENDMENT.** Section 54-17.8-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.8-02. North Dakota outdoor heritage fund - Continuing appropriation.**

1. There is created a North Dakota outdoor heritage fund that is governed by the commission. ~~Any~~ Except as provided in subsection 2, money deposited in the fund is appropriated on a continuing basis to the commission for the purposes of this chapter. Interest earned by the fund must be credited to the fund. The commission shall keep accurate records of all financial transactions performed under this chapter.
2. Ten percent of the ~~oil extraction moneys deposited in oil and gas gross production tax collections allocated to the North Dakota outdoor heritage fund under section 57-51-15, not to exceed a cumulative total deposit from the oil extraction moneys of twenty-five million dollars, are~~ must be transferred by the state treasurer to the ~~park district loan fund established under section 40-49-26~~ outdoor heritage revolving loan fund under section 2 of this Act.

**SECTION 2.** A new section to chapter 54-17.8 of the North Dakota Century Code is created and enacted as follows:

**Outdoor heritage revolving loan fund - Continuing appropriation.**

1. There is created in the state treasury the outdoor heritage revolving loan fund. The fund consists of all oil and gas gross production tax revenue transferred under section 54-17.8-02, interest upon moneys in the fund, and principal and interest payments to the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a continuing basis to provide loans based on recommendations from the North Dakota outdoor heritage advisory board and for administrative costs pursuant to this section.
2. The advisory board shall make recommendations for loans under this section. To be eligible for a loan under this section, a project must meet the criteria under section

54-17.8-03. Projects not eligible for other state funding must be given priority for loans under this section. Loans may not be issued from the fund until after July 31, 2025.

3. The Bank of North Dakota shall develop policies for the loans in consultation with the advisory board, and the policies may include provisions for loan participation with local financial institutions. To be eligible for a loan under this section, the entity shall agree to provide the Bank with information as requested. The Bank shall review loan applications. For a loan under this section, the term may not exceed twenty years and the interest rate must be the prevailing interest rate charged to North Dakota governmental entities. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs, not to exceed one-half of one percent of the amount of the interest payment. The Bank shall contract with a certified public accounting firm to audit the fund if the fund has any outstanding loans. The cost of the audit must be paid from the fund.

**SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas gross production tax revenue allocations after July 31, 2021.

**2021 SENATE ENERGY AND NATURAL RESOURCES**

**HB 1215**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1215  
3/12/2021

Relating to an outdoor heritage revolving loan fund; to amend and reenact section 54-17.8-02 of the North Dakota Century Code, relating to a transfer of funds to the outdoor heritage revolving loan fund; to provide a continuing appropriation; to provide a transfer; and to provide an effective date.

Hearing called to order, all senators are present: **Bell, Schaible Piepkorn, Roers, Patten, and Kreun. [10:00]**

### Discussion Topics:

- **North Dakota Endowment Fund**
- **Farmer Cooperatives and Insurance**

**Rep. Matt Ruby**, provided oral testimony in Favor [10:05]

**Matt Purdue**, North Dakota Farmers Union, provided testimony in Favor #8885

[10:09] **Ryan Taylor**, Ducks Unlimited provided oral testimony in opposition [10:15]

**Andrea Pfennig**, ND Industrial Commission, provided neutral testimony #8855 [10:20]

### Additional written testimony:

**John Bradley**, ND Wildlife Federation provided testimony in opposition #8907

Hearing Adjourned [10:33]

*Sheila Froehlich, Committee Clerk*

March 12, 2021

Dear Chairman Kreun and members of Senate Energy & Natural Resources Committee,

The undersigned organizations represent a diverse spectrum of interest groups spanning agriculture, energy, the business community and conservation, yet share a common interest in the continued success of the Outdoor Heritage Fund. Additionally, a number of these groups were the original thought leaders who came together to create the original vision and worked with legislators to craft legislation from which the Outdoor Heritage Fund was born.

We are writing today to express our concerns regarding HB 1215 which would direct portions of the Outdoor Heritage Fund to the Bank of North Dakota to provide for a loan program. While we believe that the intentions of HB 1215 are certainly sound, we do not perceive utility in having a loan program.

There have been a great many productive outcomes associated with the Outdoor Heritage Fund, spanning conservation projects on working farms and ranches, projects occurring in our communities to support a variety of recreational activities all across the state and in our communities. We are eager to ensure the sustained success of the Fund. While we don't believe HB 1215, in its current form, is the vehicle to an improved Outdoor Heritage Fund, we do believe we are at an opportune moment to check progress on the Fund and evaluate necessary legislative changes to meet current or envisioned needs.

To that end, we suggest the bill be amended into an Interim Study Resolution and be passed by the Committee to reconvene the many stakeholder groups to ensure a bright future for the Fund. We sincerely appreciate your consideration of our perspective.

Thank you all for your commitment to our state's natural resources, its outdoor heritage, and the beauty and economy of our common landscape with opportunities for both enjoyment and utility. We look forward to working with you in ensuring a future for it all.

Respectfully yours,

ND Farmers Union  
ND Grain Growers  
ND Natural Resources Trust  
ND Petroleum Council  
ND Recreation & Park Association  
ND Stockmen's Association  
ND Wildlife Federation  
ND Chapter of the Wildlife Society  
Delta Waterfowl  
Ducks Unlimited  
Greater North Dakota Chamber  
Lignite Energy Council

Testimony  
HB 1215  
Senate Energy & Natural Resources  
March 12, 2021

Chairman Kreun, and members of the Senate Energy & Natural Resources Committee, I am Andrea Pfennig, Deputy Executive Director of the North Dakota Industrial Commission. I will not have formal neutral testimony. However, I am providing a handout with information on the Outdoor Heritage Fund for your convenience. I will be available to answer questions as needed.

**Background**

The Outdoor Heritage Fund (OHF) was created by the Legislature in 2013 to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance conservation practices in this state for the following purposes:

**Directive A** - Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

**Directive B** - Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;

**Directive C** - Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

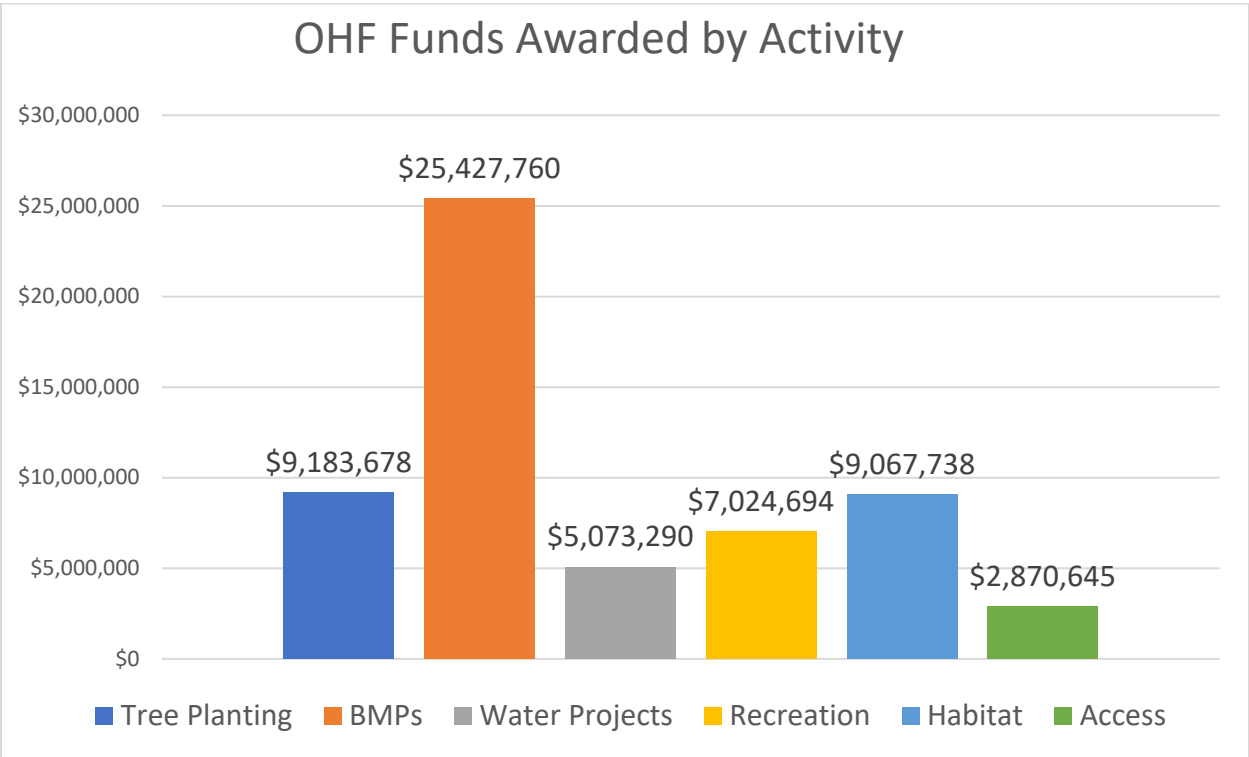
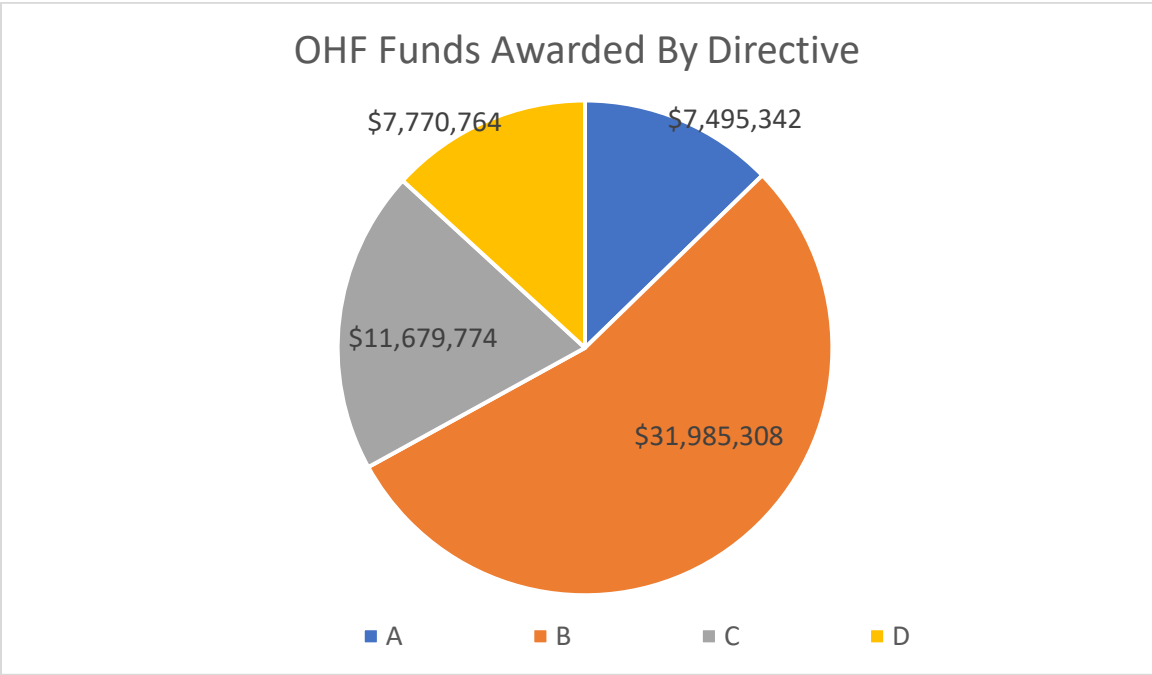
**Directive D** - Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

During the 2019-2021 biennium, the OHF is capped at \$7.5 million per fiscal year. The Industrial Commission appropriations bill, SB 2014, as currently drafted would provide an appropriation of \$7.5 million per fiscal year for the upcoming biennium, after which it will be capped at \$40 million per biennium. To date, \$58.9 million has been approved for funding. It is governed by the Industrial Commission consisting of Governor Doug Burgum, Chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Doug Goehring. A 16-member advisory board (12 voting members) reviews applications from eligible organizations.

**Funding Guidelines**

A 25% match is required. Except for extenuating circumstances, the Commission cannot consider funding for projects already completed; feasibility or research studies; maintenance costs; paving projects for roads and parking lots; swimming pools or aquatic parks, and personal property that is not affixed to the land. Funding for playground equipment is limited to 25% of the cost of the equipment up to \$10,000 per project. Funding for staffing or outside consultants for the design and implementation of the project (based on documented need) may not exceed 5% of the grant if the grant exceeds \$250,000 and may not exceed 10% if the grant is \$250,000 or less. By policy, the Industrial Commission has stated that unless there is a finding of exceptional circumstances by the Industrial Commission, the following projects are not eligible: construction or refurbishment of indoor/outdoor ice rinks, construction or refurbishment of indoor/outdoor athletic courts and sports fields, and infrastructure that is not part of a comprehensive conservation plan. The goal of the Industrial Commission is that at a minimum, 15% of the funding received for a biennium will be given priority for recreation projects that meet Directive D.



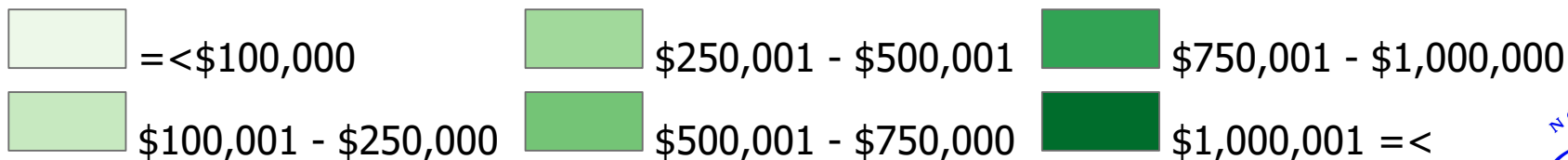
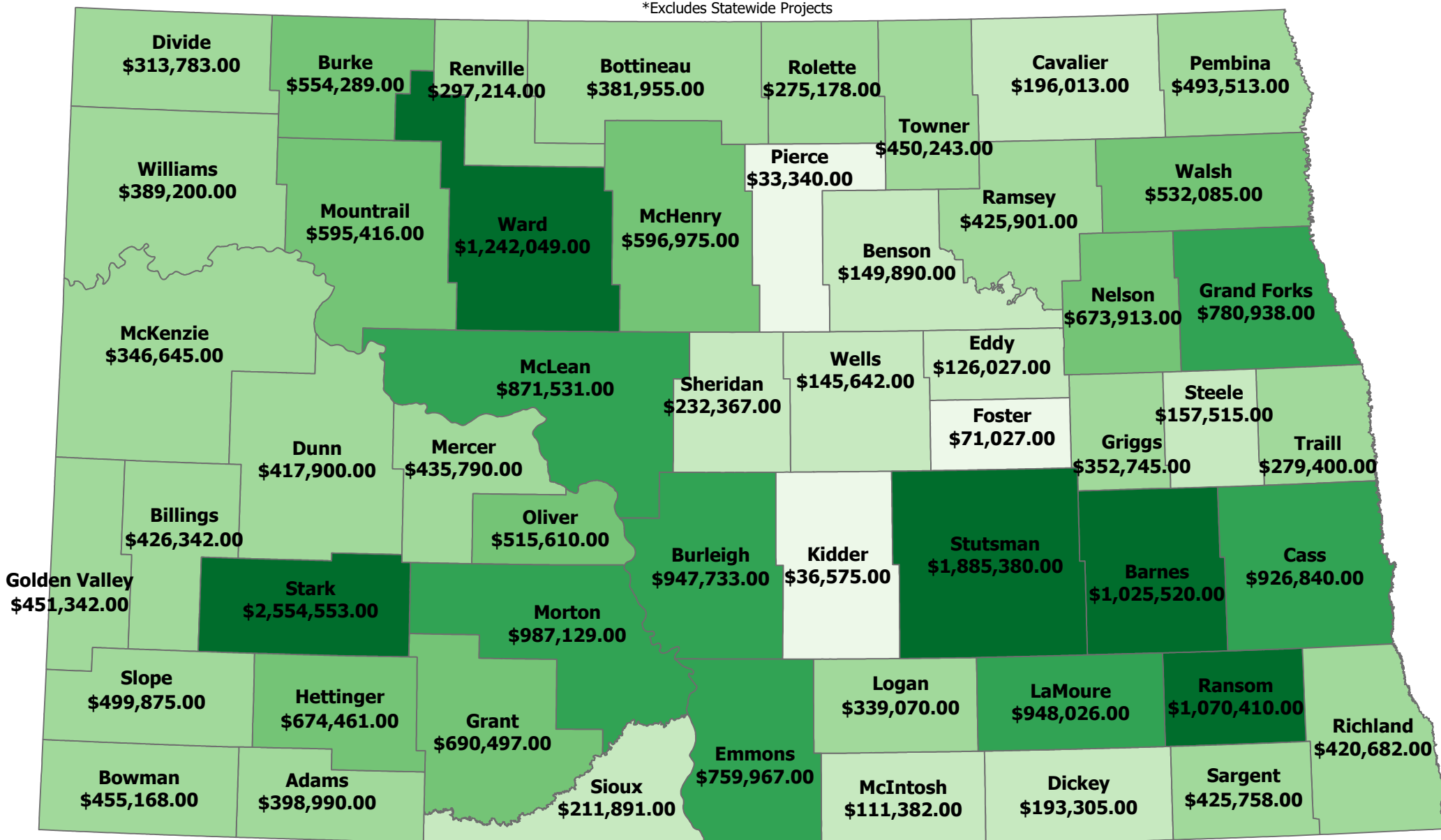


*\*Projects that were approved and subsequently withdrawn by recipient are not included in the above charts. Tree planting occurs in small amounts in other activities. Examples of Best Management Practices (BMPs) include: perimeter fencing, cross fencing, wells, tanks, pipelines, cover crops, and grass planting.*

# North Dakota Outdoor Heritage Fund

Awards by County, Grant Rounds 1-17

\*Excludes Statewide Projects





## NORTH DAKOTA WILDLIFE FEDERATION

# Testimony of John Bradley North Dakota Wildlife Federation House Bill 1218 Senate Energy & Natural Resources Committee March 12, 2021

Chairman Kreun, members of the Senate Energy and Natural Resources Committee,

For the record, I am John Bradley, Executive Director of the North Dakota Wildlife Federation (NDWF). I am here today representing our 1,500 members and 15 affiliated wildlife and sportsmen's club across North Dakota.

NDWF is opposed to HB 1215 in its current form. HB1215 which would direct portions of the Outdoor Heritage Fund to the Bank of North Dakota to provide for a loan program. While we believe that the intentions of HB1215 are certainly sound, we do not believe that a loan program would be an effective mechanism to enhance conservation practices in the state. We would like to see it remain a grant fund with the OHF board deciding on projects based on the four directives:

- **Directive A** - Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- **Directive B** - Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
- **Directive C** - Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

● **Directive D** - Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

There have been many productive outcomes associated with the Outdoor Heritage Fund. Great projects spanning conservation on working farms and ranches, projects occurring in our communities to support a variety of recreational activities like hunting and fishing.

I believe that the Federation and the bill sponsor are both eager to ensure the sustained success of the Fund. While we don't believe HB1215, in its current form, is the vehicle to an improved Outdoor Heritage Fund, we do believe we are at an opportune moment to check progress on the Fund and evaluate necessary legislative changes to meet current or future needs.

To that end, we support the bill being amended into an Interim Study Resolution and be passed by the Committee to reconvene the many stakeholder groups to ensure a bright future for the Outdoor Heritage Fund.

Thank you for the opportunity to testify. Please do not hesitate to contact me with any questions that the committee might have.

# 2021 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1215  
3/25/2021

Relating to a transfer of funds to the outdoor heritage revolving loan fund; to provide a continuing appropriation; to provide a transfer; and to provide an effective date.

Hearing called to order, all senators are present: **Bell, Schaible Piepkorn, Roers, Patten, and Kreun.**

Chair Kreun [9:17] opened committee hearing

### Discussion Topics:

- Transfer funds for future use
- Provide Funds for projects located on National Grasslands of ND

Representative Matt Ruby [9:17] Presented HB 1215 and Amendment

Matt Purdue [9:24], Government Relations Director, ND Farmers Union, provided Oral testimony in opposition

Andrea Pfennig [9:37], Government Relations Director, ND Industrial Commission, provided Oral neutral testimony

John Bradley, [9:38] Executive Director Lobbyist, ND Wildlife Federation, provided Oral testimony in opposition

Senator Bell [9:44] moved a DO PASS on Amendment LC 21.0695.02002 to HB 1215  
Senator Patten [9:44] seconded the motion

The motion failed 2-4-0

Senators	Vote
Senator Curt Kreun	N
Senator Jim P. Roers	N
Senator Dale Patten	Y
Senator Merrill Piepkorn	N
Senator Donald Schaible	N
Senator Jessica Unruh Bell	Y

Senator Schaible [9:47] moved to DO NOT PASS HB 1215  
Senator Bell [9:48] seconded the motion

The motion passes for DO NOT PASS 6-0-0

Senators	Vote
Senator Curt Kreun	Y
Senator Jim P. Roers	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Donald Schaible	Y
Senator Jessica Unruh Bell	Y

Senator Schaible [9:49] will carry  
Hearing adjourned [9:49]

*Sheila Froehlich, Committee Clerk*

March 18, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1215

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-17.8-03 of the North Dakota Century Code, relating to the North Dakota outdoor heritage fund.

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

**SECTION 1. AMENDMENT.** Section 54-17.8-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.8-03. North Dakota outdoor heritage fund purposes.**

1. For the period beginning July 1, 2021, and ending June 30, 2033, the commission shall use up to two million five hundred thousand dollars per fiscal year to provide grants for eligible projects to an organization representing cooperative grazing associations in the state. To be eligible for a grant under this subsection, an organization must provide one dollar of matching funds for every four dollars of grant funding. An organization that receives a grant under this subsection may distribute the funding to cooperative grazing associations for eligible projects. Eligible projects must be located on national grasslands within the state. Eligible projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, to capture carbon, or to increase the health of grasslands.
2. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
  - a. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
  - b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
  - c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
  - d. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.
- ~~2-3.~~ The commission or grantee may not use the fund, in any manner, to finance:
  - a. Litigation;

- b. Lobbying activities;
- c. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- d. The acquisition of land or to encumber any land for a term longer than twenty years; or
- e. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.

3.4. The commission or a grantee may not use grant funds, except after a finding of exceptional circumstances by the commission, to finance:

- a. A completed project or project commenced before the grant application;
- b. A feasibility or research study;
- c. Maintenance costs;
- d. A paving project for a road or parking lot;
- e. A swimming pool or aquatic park;
- f. Personal property that is not affixed to the land;
- g. Playground equipment, except that grant funds may be provided for up to twenty-five percent of the cost of the equipment not exceeding ten thousand dollars per project and all playground equipment grants may not exceed five percent of the total grants per year;
- h. A building, except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project; or
- i. A project in which the applicant is not directly involved in execution and completion of the project."

Renumber accordingly

# 2021 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1215  
4/1/2021

Relating to an outdoor heritage revolving loan fund; to amend and reenact section 54-17.8-02 of the North Dakota Century Code, relating to a transfer of funds to the outdoor heritage revolving loan fund; to provide a continuing appropriation; to provide a transfer; and to provide an effective date.

Hearing called to order, all senators are present: **Bell, Schaible Piepkorn, Roers, Patten, and Kreun. [11:03]**

### Discussion Topics:

- Committee Work
- Discussion to hold the bill

**Senator Kreun** [11:03] reviews the status of the bill.

**Senator Schaible** [11:04] mentions possible upcoming changes, proposes the committee wait a week before acting upon the bill.

**Senator Patten** [11:06] also voiced preference to wait a week.

Hearing Adjourned [11:09]

*Sheila Froehlich, Committee Clerk*



# 2021 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1215  
4/8/2021

Relating to a transfer of funds to the outdoor heritage revolving loan fund; to provide a continuing appropriation; to provide a transfer; and to provide an effective date

Hearing called to order, all senators are present: **Bell, Schaible Piepkorn, Roers, Patten, and Kreun. [9:02]**

### Discussion Topics:

- Committee work on Amendments for HB 1215
- Enhance wildlife habitat
- Improve pastures and enhance grazing practices
- Enhance Recreation on public lands

Senator Patten [9:04], introduced new amendments for HB 1215  
Andrea Pfennig [9:33] ND Industrial Commission

Senator Schaible [9:53] moved a Do Pass  
to reconsider actions of 03-25-21 on HB 1215

Senator Bell [9:54] seconded the motion

The motion passes 5-1-0

Senators	Vote
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	Y
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [9:54] moved a Do Pass to  
adopt amendment 21.0695.02005 on HB 1215

Senator Roers [9:54] seconded the motion

The motion Fails 3-3-0

Senators	Vote
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	N
Senator Donald Schaible	N
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [10:15] moved a Do Pass  
to adopt amendment 21.0695.02004 on HB  
1215

Senator Roers [10:15] seconded the motion

The motion passes 4-2-0

Senators	Vote
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	N
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [10:23] moved a Do Pass to rescind amendment 21.0695.02004 on HB 1215

Senator Roers [10:23] seconded the motion

The motion to rescind amendment 21.0695.02004 passes 5-1-0

<b>Senators</b>	<b>Vote</b>
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	Y
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [10:23] moved a Do Pass to adopt amendment 21.0695.02006 on HB 1215.

Senator Roers [10:24] seconded the motion

The motion passes 4-2-0 [10:33]

<b>Senators</b>	<b>Vote</b>
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	N
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [10:32] moved a Do Pass on the first engrossment of HB 1215 with amendment 21.0695.02006  
Senator Roers [10:34] seconded the motion

The motion failed 3-3-0

<b>Senators</b>	<b>Vote</b>
Senator Merrill Piepkorn	N
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	N
Senator Jessica Unruh Bell	N
Senator Curt Kreun	Y

Senator Bell [10:35] moved for no committee recommendation on HB 1215

Senator Roers [10:35] seconded the motion

The motion passes 6-0-0

<b>Senators</b>	<b>Vote</b>
Senator Merrill Piepkorn	Y
Senator Dale Patten	Y
Senator Jim Roers	Y
Senator Donald Schaible	Y
Senator Jessica Unruh Bell	Y
Senator Curt Kreun	Y

Senator Patten [10:36] will carry HB 1215

Hearing adjourned [10:36]

*Sheila Froehlich, Committee Clerk*

April 7, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1215

Page 1, line 2, replace "revolving loan" with "grasslands"

Page 1, line 3, replace "54-17.8-02" with "57-51.1-07.5"

Page 1, line 3, remove "a transfer of funds to the"

Page 1, line 4, replace "outdoor heritage revolving loan fund" with "the state share of oil and gas tax revenue allocations"

Page 1, line 4, remove "to provide a transfer;"

Page 1, remove lines 7 through 18

Page 1, line 21, replace "revolving loan" with "**grasslands**"

Page 1, line 21, after "**appropriation**" insert "**- Transfer**"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 19 with "There is created in the state treasury the outdoor heritage grasslands fund. The fund consists of all oil and gas tax revenues deposited in the fund under section 2 of this Act and interest upon moneys in the fund. All moneys in the fund are appropriated to the commission on a continuing basis to provide grants based on recommendations from the North Dakota outdoor heritage advisory board and for administrative costs pursuant to this section. To be eligible for a grant under this section, an applicant must be a cooperative grazing association under chapter 36-08 and must provide one dollar of matching funds for every three dollars of grant funding. To be eligible for a grant under this section, a project must comply with federal improvement requirements, must be an eligible use of funds under section 54-17.8-03, and must receive a favorable recommendation from the North Dakota outdoor heritage advisory board. If the outdoor heritage grasslands fund did not receive any allocations of oil and gas tax revenue under section 2 of this Act in the prior biennium, the North Dakota outdoor heritage fund advisory board shall prioritize up to five million dollars from the North Dakota outdoor heritage fund for grants to eligible cooperative grazing associations for eligible projects based on the eligibility requirements under this section. After July 31, 2031, the commission may not distribute any new grants to cooperative grazing associations from the outdoor heritage grasslands fund, and any allocations of oil and gas tax revenue deposited in the outdoor heritage grasslands fund under section 2 of this Act after July 31, 2031, must be transferred to the North Dakota outdoor heritage fund as a repayment for any grants to cooperative grazing associations paid from the North Dakota outdoor heritage fund during the period beginning August 1, 2021, through July 31, 2031."

**SECTION 2. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

**57-51.1-07.5. State share of oil and gas taxes - Deposits.**

From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the following order:

1. The first two hundred million dollars into the state general fund;
2. The next two hundred million dollars into the tax relief fund;
3. The next seventy-five million dollars into the budget stabilization fund, but not in an amount that would bring the balance in the fund to more than the limit in section 54-27.2-01;
4. The next two hundred million dollars into the state general fund;
5. The next ten million dollars into the lignite research fund;
6. The next fifteen million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than fifteen million dollars;
7. The next thirty million three hundred seventy-five thousand dollars, or the amount necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7, into the municipal infrastructure fund;
8. The next four hundred million dollars into the strategic investment and improvements fund;
9. An amount equal to the deposit under subsection 7 into the county and township infrastructure fund;
10. The next one hundred sixty-nine million two hundred fifty thousand dollars or the amount necessary to provide a total of two hundred thirty million dollars into the funds designated for infrastructure development in non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal infrastructure fund and fifty percent deposited into the county and township infrastructure fund;
11. The next twenty million dollars into the airport infrastructure fund; ~~and~~
12. The next five million dollars to the outdoor heritage grasslands fund; and
13. Any additional revenues into the strategic investment and improvements fund."

Page 2, line 20, replace "1" with "2"

Page 2, line 21, remove "gross production"

Page 2, line 21, after "allocations" insert "made by the state treasurer"

Renumber accordingly

April 6, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1215

Page 1, line 3, replace "section" with "sections"

Page 1, line 3, after "54-17.8-02" insert "and 54-17.8-03 and subsection 2 of section 54-17.8-05"

Page 1, line 4, after "fund" insert "and allowable uses of the outdoor heritage fund"

Page 1, after line 18, insert:

**"SECTION 2. AMENDMENT.** Section 54-17.8-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.8-03. North Dakota outdoor heritage fund purposes.**

1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
  - a. Providing access to private and public lands for ~~sportsmen~~the public, including projects that create fish and wildlife habitat and provide access for ~~sportsmen~~recreation and enhance the recreational experiences and opportunities on public lands;
  - b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
  - c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
  - d. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.
2. The commission or grantee may not use the fund, in any manner, to finance:
  - a. Litigation;
  - b. Lobbying activities;
  - c. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
  - d. The acquisition of land or to encumber any land for a term longer than twenty years; or
  - e. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.

3. The commission or a grantee may not use grant funds, except after a finding of exceptional circumstances by the commission, to finance:
  - a. A completed project or project commenced before the grant application;
  - b. A feasibility or research study;
  - c. Maintenance costs;
  - d. A paving project for a road or parking lot;
  - e. A swimming pool or aquatic park;
  - f. Personal property that is not affixed to the land;
  - g. Playground equipment, except that grant funds may be provided for up to twenty-five percent of the cost of the equipment not exceeding ten thousand dollars per project and all playground equipment grants may not exceed five percent of the total grants per year;
  - h. A building, except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project or a building that needs repairs or replacement due to damage cause by an act of God; or
  - i. A project in which the applicant is not directly involved in execution and completion of the project.

**SECTION 3. AMENDMENT.** Subsection 2 of section 54-17.8-05 of the North Dakota Century Code is amended and reenacted as follows:

2. Place conditions on an offer or a grant including a limit on the duration of an offer, a requirement of matching funds, and limit the source of the matching funds, ~~and the commission shall exclude any money appropriated from the general fund from use as matching funds unless the legislative assembly authorizes the use of general fund money as matching funds;"~~

Renumber accordingly

April 7, 2021

21.0695.02006  
Title.03000

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1215

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-17.8-03 of the North Dakota Century Code, relating to allowable uses of the outdoor heritage fund.

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

**SECTION 1. AMENDMENT.** Section 54-17.8-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.8-03. North Dakota outdoor heritage fund purposes.**

1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
  - a. Providing access to private and public lands for ~~sportsmen~~the public, including projects that create fish and wildlife habitat and provide access for ~~sportsmen~~recreation and enhance the recreational experiences and opportunities on public lands;
  - b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
  - c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
  - d. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.
2. The commission or grantee may not use the fund, in any manner, to finance:
  - a. Litigation;
  - b. Lobbying activities;
  - c. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
  - d. The acquisition of land or to encumber any land for a term longer than twenty years; or
  - e. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.

3. The commission or a grantee may not use grant funds, except after a finding of exceptional circumstances by the commission, to finance:
  - a. A completed project or project commenced before the grant application;
  - b. A feasibility or research study;
  - c. Maintenance costs;
  - d. A paving project for a road or parking lot;
  - e. A swimming pool or aquatic park;
  - f. Personal property that is not affixed to the land;
  - g. Playground equipment, except that grant funds may be provided for up to twenty-five percent of the cost of the equipment not exceeding ten thousand dollars per project and all playground equipment grants may not exceed five percent of the total grants per year;
  - h. A building, except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project or a building that needs repairs or replacement due to damage caused by an act of God; or
  - i. A project in which the applicant is not directly involved in execution and completion of the project."

Renumber accordingly



**REPORT OF STANDING COMMITTEE**

**HB 1215, as engrossed: Energy and Natural Resources Committee (Sen. Kreun, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1215 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-17.8-03 of the North Dakota Century Code, relating to allowable uses of the outdoor heritage fund.

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

**SECTION 1. AMENDMENT.** Section 54-17.8-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.8-03. North Dakota outdoor heritage fund purposes.**

1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
  - a. Providing access to private and public lands for ~~sportsmen~~the public, including projects that create fish and wildlife habitat and provide access for ~~sportsmen~~recreation and enhance the recreational experiences and opportunities on public lands;
  - b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
  - c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
  - d. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.
2. The commission or grantee may not use the fund, in any manner, to finance:
  - a. Litigation;
  - b. Lobbying activities;
  - c. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
  - d. The acquisition of land or to encumber any land for a term longer than twenty years; or
  - e. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.
3. The commission or a grantee may not use grant funds, except after a finding of exceptional circumstances by the commission, to finance:

- a. A completed project or project commenced before the grant application;
- b. A feasibility or research study;
- c. Maintenance costs;
- d. A paving project for a road or parking lot;
- e. A swimming pool or aquatic park;
- f. Personal property that is not affixed to the land;
- g. Playground equipment, except that grant funds may be provided for up to twenty-five percent of the cost of the equipment not exceeding ten thousand dollars per project and all playground equipment grants may not exceed five percent of the total grants per year;
- h. A building, except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project or a building that needs repairs or replacement due to damage caused by an act of God; or
- i. A project in which the applicant is not directly involved in execution and completion of the project."

Renumber accordingly