

2021 SENATE APPROPRIATIONS

SB 2249

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2249
1/26/2021
Senate Appropriations Committee

A BILL for an Act to amend and reenact section 57-51.1-07.5 of the North Dakota Century Code, relating to deposits of the state's share of oil and gas taxes; and to provide an effective date.

Chairman Holmberg opened the hearing at 9:02 a.m. **Senators Holmberg, Krebsbach, Wanzek, Bekkedahl, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern,** and **Heckaman** were present. **Senator Poolman** was absent.

Discussion Topics:

- Disaster Relief Fund
- Allocating Oil and Gas Taxes

Senator Heitkamp, District 26, introduced the bill.

Senator Heckaman, District 23, testified in favor and submitted testimony #3384.

Alex Cronquist, Legislative Council, answered questions from committee members and submitted testimony #3386.

Cody Schulz, North Dakota Director of Homeland Security, testified in favor, and continued on testimony #3384.

Chairman Holmberg closed the hearing at 9:33 a

Rose Laning, Committee Clerk

SB 2249

Senator Joan Heckaman

Chairman Holmberg and Members of the Committee: For the record, I am Senator Joan Heckaman from New Rockford and I serve District 23. I am pleased Sen. Heitkamp invited me to join in sponsoring SB 2249 relating to the state Disaster Relief Fund.

The Disaster Relief Fund receives a portion of funding from a direct appropriation from the legislature. This fund provides the state share of presidential declared disasters. The funds can also be used for costs associated with a wide-area search and rescue. Recent Presidential Disasters were declared for excess rain/moisture.

All funds in this account are subject to approval of expenditures by the Legislative Assembly, the Emergency Commission, and the Budget Section. We get updates from Brady Larson at Legislative Council. I have attached a couple of pages from the December and January reports.

Current statutory authority provides \$15 million per biennium. This was reduced I believe last session from \$20 million. This money is channeled into the Disaster Fund from the state's share of the oil and gas gross production and extraction taxes. The bill before you restores the fund to the \$20 million level. There is also the question of whether there is a request to OMB for a deficiency payment to shore up this fund.

North Dakota is a "Managing State" which means the Division of Homeland Security assumes the disaster program management responsibilities and coordinates with FEMA on projects. In my research, I found that the funds are distributed on a 75%/25% basis with the majority coming from the Feds and the 25% share coming from state and local funds. I don't have numbers for the local share.

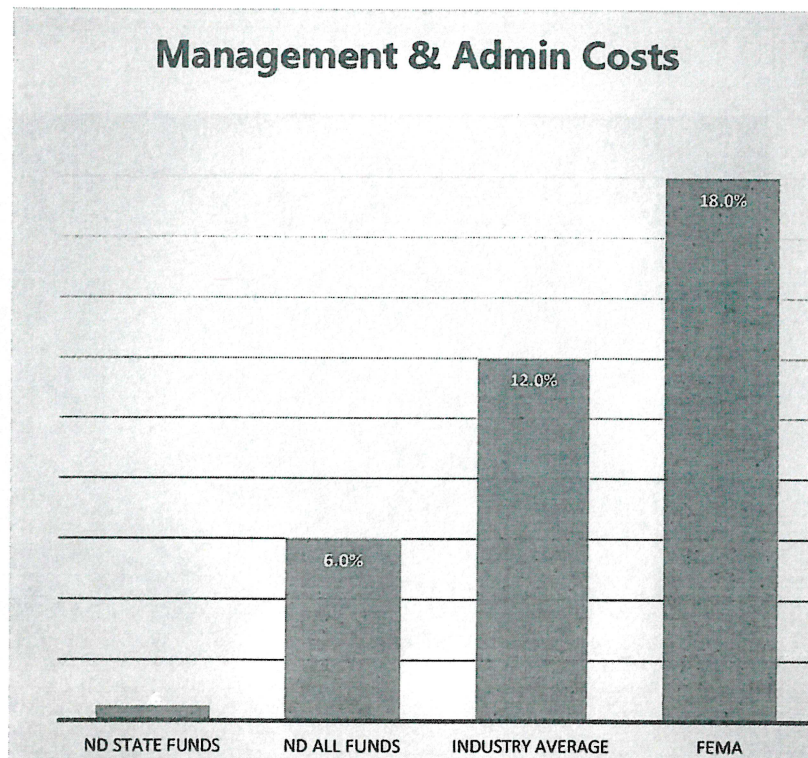
Online, the fund is listed as having a balance of \$20.2 Million on December 1, 2020. I have been in touch with Cody Schulz from Disaster Emergency Services and I would be appreciative if he could come forward and add information for the

committee. I believe he would have information that would help this committee make its decision.

Chairman Holmberg, that completes my testimony.

MANAGEMENT EFFICIENCY

Management & Admin Costs



Disaster #	Description	Disaster Cost	State Mgmt Costs (SMC) - State Funds	SMC State Funds - % of Total
PA-1829	2009 Flood	\$ 128,347,524.17	\$ 303,098.82	0.236%
HM-1829	2009 Flood	19,826,833.06	9,558.68	0.048%
PA-1879	2010 Winter Storm	16,999,863.04	16,618.09	0.098%
HM-1879	2010 Winter Storm	1,319,641.00	4.49	0.000%
PA-1901	2010 Winter Storm	35,489,310.62	7,072.49	0.020%
HM-1901	2010 Winter Storm	3,778,602.00	-	0.000%
PA-1907	2010 Flood	25,951,012.91	1,011,853.38	3.899%
HM-1907	2010 Flood	77,652.00	0.22	0.000%
PA-1981	2011 Flood	248,498,595.24	1,239,880.06	0.499%
HM-1981	2011 Flood	94,555,964.00	17,712.38	0.019%
PA-1986	2011 Winter Storm	7,905,925.17	924.97	0.012%
HM-1986	2011 Flood	644,963.00	-	0.000%
PA-4118	2013 Flood (Spring)	9,388,810.60	368,089.68	3.921%
HM-4118	2013 Flood (Spring)	963,400.00	40,000.36	4.152%
PA-4128	2013 Flood (Summer)	13,429,504.77	179,571.26	1.337%
HM-4128	2013 Flood (Summer)	1,289,556.00	101.28	0.008%
PA-4154	2013 Snowstorm	5,838,114.00	55,192.82	0.945%
HM-4154	2013 Snowstorm	706,369.00	27,248.42	3.858%
PA-4190	2014 Flood	3,111,683.97	139,284.57	4.476%
HM-4190	2014 Flood	360,309.00	6,020.32	1.671%
PA-4323	2017 Flood (Spring)	7,171,224.62	501,879.31	6.999%
HM-4323	2017 Flood (Spring)	756,454.61	-	0.000%
PA-4444	2019 Spring Flood	10,444,505.01	164,684.13	1.577%
HM-4444	2019 Spring Flood	250,068.45	-	-
PA-4475	2019 Fall Flood	7,398,738.06	-	0.000%
HM-4475	2019 Fall Flood	-	-	-
PA-4509	COVID-19	1,564,491.07	-	0.000%
PA-4553	2020 Spring Flood	-	-	-
FMA2017	Flood Mitigation Assist	146,755.89	608.10	0.414%
PDM2016	Pre-Disaster Mitigation	2,014,841.32	27,932.63	1.386%
PDM2017	Pre-Disaster Mitigation	7,178,688.28	38,330.05	0.53%
PDM2018	Pre-Disaster Mitigation	18,903,703.29	16,919.68	0.090%
PDM2019	Pre-Disaster Mitigation	352,132.40	-	0.00%
		\$ 674,665,242.55	\$ 4,172,592.39	0.618%

Disaster Open

Empower People | Improve Lives | Inspire Success

**NORTH
Dakota**
Be Legendary.™

Adjutant General



DISASTER RELIEF FUND STATUS



Fund Balance

\$	21,987,295	As of 6/30/2019
	50,480	Interest Revenues *
	12,704	Return of Funds *
	(1,832,913)	DES Disaster Expenditures *
	20,217,566	As of 9/30/2020
	(2,365,446)	DES Remaining Obligations
\$	17,852,120	Unobligated balance as of 9/30/2020

** Revenue & expenses are shown biennium to date.*

ND Emergency Services - Disaster Relief Fund - Payment Notification January 25, 2021

PUBLIC ASSISTANCE PAYMENTS

Disaster or Grant #	Program	Event Description	Applicant	County	Proj. #	Proj Title	Federal Share	Total State Share	Share 1 (State 4%)	Share 2 (3% grant relief)	Share 3 (Grade Raise Funds)
1981	PA	Riverine & Overland Flooding	Minot Public School Dist. 1	Ward	341	Temporary Classrooms	\$ 475,796.15	\$ 65,773.98	\$ 16,143.45	\$ 49,630.53	
1981	PA	Riverine & Overland Flooding	Minot Public School Dist. 1	Ward	342	Temporary Classrooms	\$ 14,038.20	\$ 8,501.30	\$ 9,132.21	\$ (630.91)	
1981	PA	Riverine & Overland Flooding	Minot Public School Dist. 1	Ward	1327	Purchase of Cafetorium	\$ (144,672.94)	\$ 11,818.20	\$ (10,442.17)	\$ 22,260.37	
1981	PA	Riverine & Overland Flooding	Minot Public School Dist. 1	Ward	2307	Repair Damages to Public Buildings and Facilities	\$ 29,511.73	\$ 11,114.66	\$ (222.17)	\$ 11,336.83	
1981	PA	Riverine & Overland Flooding	Minot Public School Dist. 1	Ward	3906	Repair Damages to Public Buildings and Facilities	\$ 9,656.41	\$ 4,381.27	\$ (202.18)	\$ 4,583.45	
							\$ -	\$ -	\$ -	\$ -	
						Net PA Total	\$ 384,329.55	\$ 101,589.41	\$ 14,409.14	\$ 87,180.27	\$ -

HAZARD MITIGATION PAYMENTS

Disaster or Grant #	Program	Event Description	Applicant	County	Proj. #	Proj Title	Federal Share	State Share			
FMA2017	HMA	Flood-Mitigation	NDDES		1	State Management Costs	\$ -	\$ 46.03			
PDM2017	HMA	Pre-Disaster Mitigation	NDDES		13	State Management Costs	\$ -	\$ 1,730.82			
PDM2018	HMA	Pre-Disaster Mitigation	NDDES			State Management Costs	\$ -	\$ 668.14			
PDM2019	HMA	Pre-Disaster Mitigation	NDDES			State Management Costs	\$ -	\$ 1,397.58			
4444	HMA	HMGP	Mott	Hettinger	1	City of Mott Early Warning Siren	\$ 4,725.00	\$ 630.00			
4444	HMA	HMGP	Mott	Hettinger	1	City of Mott Early Warning Siren	\$ 13,822.57	\$ 1,843.01			
4323	HMA	HMGP	Morton County	Morton	8	Morton County MHMP Update	\$ 26,735.00	\$ 3,565.00			
						Net HM Total	\$ 45,282.57	\$ 9,880.58			
						Net Grand Total	\$ 429,612.11	\$ 111,469.91			

ND Emergency Services - Disaster Relief Fund - Payment Notification December 21, 2020

PUBLIC ASSISTANCE PAYMENTS											
Disaster or Grant #	Program	Event Description	Applicant	County	Proj. #	Proj Title	Federal Share	Total State Share	Share 1 (State 4%)	Share 2 (3% grant relief)	Share 3 (Grade Raise Funds)
							\$ -	\$ -	\$ -	\$ -	
						Net PA Total	\$ -	\$ -	\$ -	\$ -	\$ -
HAZARD MITIGATION PAYMENTS											
Disaster or Grant #	Program	Event Description	Applicant	County	Proj. #	Proj Title	Federal Share	State Share			
FMA2017	HMA	Flood-Mitigation	NDDDES		1	State Management Costs	\$ -	\$ 267.20			
PDM2017	HMA	Pre-Disaster Mitigation	NDDDES		13	State Management Costs	\$ -	\$ 4,228.63			
PDM2018	HMA	Pre-Disaster Mitigation	NDDDES			State Management Costs	\$ -	\$ 3,665.19			
PDM2019	HMA	Pre-Disaster Mitigation	NDDDES			State Management Costs	\$ -	\$ 30.01			
						Net HM Total	\$ -	\$ 8,191.03			
						Net Grand Total	\$ -	\$ 8,191.03			

Testimony - SB 2249	
Senate Appropriations Committee	
January 26, 2021	
By Cody Schulz	
Deputy Director, Department of Emergency Services	
Director, Division of Homeland Security	
DRF Balance as of 12-31-2020	\$ 20,206,218
DES Obligations 19-21 Biennium	\$ 2,279,699
DES Obligations 21-23 Biennium	\$ 1,800,052
DRF Unobligated Balance	\$ 16,126,467
Other Outstanding Disaster BND Loans	
2019 & 2020 Floods (4 Declarations)	\$ 5,852,820
DAPL	\$ 14,064,916
Outstanding Disaster Debt	\$ 22,127,216
The Executive Budget recommendation pays these loans back with general funds	

**ANALYSIS OF THE STATE DISASTER RELIEF FUND FOR THE
2013-15, 2015-17, 2017-19, AND 2019-21 BIENNIUMS**

	2013-15 Biennium Actual		2015-17 Biennium Actual		2017-19 Biennium Actual		2019-21 Biennium Estimated	
Beginning balance		\$77,651,986		\$75,867,942		\$36,687,549		\$21,987,295
Add revenues								
Interest income	\$81,030		\$50,723		\$73,130		\$40,000	
Miscellaneous reimbursements	1,007,480		2,716,118		698,534		100,000	
Oil and gas tax collections	22,000,000 ²		3,482,364 ⁷		0 ⁸		0 ¹⁸	
Total revenues		23,088,510		6,249,205		771,664		140,000
Total available		\$100,740,496		\$82,117,147		\$37,459,213		\$22,127,295
Less estimated expenditures								
Disasters occurring prior to 2009	1,306,121 ⁶							
2009 flooding	2,530,274 ^{6,11}		247,214 ¹⁵		57,462 ¹⁷			
January 2010 snowstorm	310,392 ^{6,11}							
2010 flooding	320,896 ^{6,11}		269,007 ¹⁵		1,199,702 ¹⁷			
April 2010 ice storm	565,976 ^{6,11}		102,560 ¹⁵					
2011 flooding	7,430,968 ^{6,11}		6,366,153 ¹⁵		2,923,747 ¹⁷		3,716,261 ¹⁹	
2011 ice storm	616,217 ¹¹		925 ¹⁵					
Costs relating to flooding in incorporated cities	1,461,014 ⁶							
Disaster response coordination contract	400,000 ³		200,000 ³					
State disasters and flood mitigation efforts (road grade raising projects)	91,986 ⁶		2,562 ¹⁵		18,620 ¹⁷			
Housing rehab and retention	2,461,071 ¹¹							
Flood-impacted housing assistance grant program	1,500,000 ⁴		1,088,468 ¹⁵					
Disaster recovery planning and technical services	1,031,218 ⁵		34,810 ⁵					
Fargo interior flood protection			30,000,000 ⁹					
Chronic flooding relief			2,000,000 ¹⁰					
2013 Red River Valley flood	1,591,135 ¹¹		589,741 ¹⁵		912,450 ¹⁷			
2013 winter storm	36,116 ¹¹		59,539 ¹⁵		628,258 ¹⁷		113 ¹⁹	
2014 rain storms	219,170 ¹¹		84,122 ¹⁵		72,201 ¹⁷		100,126 ¹⁹	
2017 flooding							613,494 ¹⁹	

Federal Emergency Management Agency (FEMA) flood mitigation programs					533,475 ¹⁹
Valley City flood protection	3,000,000 ¹²				
Double Ditch Historic Site repairs		384,497 ¹³		1,694,478 ¹³	
Bismarck area flood protection		4,000,000 ¹⁴			
Dickey County FEMA repayment					200,000 ¹⁹
Non-oil-producing township road maintenance and improvement				7,965,000 ²⁰	
Total estimated expenditures and transfers		24,872,554	45,429,598	15,471,918	5,163,469 ¹⁶
Estimated ending balance		\$75,867,942	\$36,687,549	\$21,987,295	\$16,963,826

¹Section 17 of Senate Bill No. 2371 (2011) provided OMB transfer \$48.7 million from the general fund to the state disaster relief fund during the 2011-13 biennium for the following purposes:

Relief Assistance	Transfer Amount	Appropriation Authority
Disaster-related expenses	\$32,700,000	Section 15 of Senate Bill No. 2371 (2011) provided appropriation authority of \$29.5 million from the state disaster relief fund to the Adjutant General for providing the required state share of funding for expenses associated with presidentially declared state disasters. Section 16 of the bill provided a contingent appropriation of \$5 million from the state disaster relief fund to the Adjutant General relating to grants to political subdivisions for a portion of the local share required to match federal emergency relief funding.
Flood-impacted housing assistance grant program	10,000,000	Section 9 of Senate Bill No. 2371 appropriated \$10 million from the state disaster relief fund to the Adjutant General for providing additional rebuilders loan program funding to the Bank of North Dakota and funding to political subdivisions for flood-impacted housing rehabilitation.
Road grade raising grants	6,000,000	Section 14 of Senate Bill No. 2371 appropriated \$6 million from the state disaster relief fund to the Department of Transportation (DOT) for grants to counties for road grade raising projects on federal aid-eligible roads.
Total	\$48,700,000	

²House Bill No. 1451 (2011) created Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$543.79 million is deposited in the general fund, property tax relief fund, and strategic investment and improvements fund;
- The next \$22 million is deposited in the state disaster relief fund; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

³In Senate Bill No. 2016 (2011), the Legislative Assembly provided authority to the Department of Emergency Services to utilize \$400,000 from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters. House Bill No. 1016 (2013) continued the same level of funding for the 2013-15 biennium. Senate Bill No. 2016 (2015) provided a \$200,000 appropriation from the state disaster relief fund for disaster response coordination for the 2015-17 biennium.

⁴Section 4 of House Bill No. 1016 (2013) appropriated \$1.5 million from the state disaster relief fund to the Housing Finance Agency to provide grants to counties, cities, local housing authorities, and other nonprofit entities providing flood-impacted housing assistance. The section required an entity requesting grant funding to certify to the Housing Finance Agency that housing occupants were eligible to receive housing assistance under federal Department of Housing and Urban

Development guidelines, that a land use agreement was in place for temporary housing units, and that a plan had been developed for the disposal of temporary housing units. The Housing Finance Agency was to develop guidelines for the distribution of funds, including the frequency of the distribution of grant funds.

⁵The 2013-15 biennium legislative appropriations include funding of \$1.5 million for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs associated with preparedness, mitigation, and response and recovery. Senate Bill No. 2016 (2015) appropriated \$1 million for continuing the disaster recovery planning and technical assistance contracted services for the 2015-17 biennium.

⁶Section 1 of House Bill No. 1016 (2013) included spending authority of \$13.9 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2013-15 biennium.

⁷This amount reflects actual oil tax revenue allocations for the 2015-17 biennium. House Bill No. 1377 (2015) amended Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$700 million is deposited in the general fund, tax relief fund, and strategic investment and improvements fund;
- The next \$22 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$25 million; and
- Any additional revenues:
 - 70 percent into the strategic investment and improvements fund; and
 - 30 percent into the political subdivision allocation fund.

⁸This amount reflects actual oil tax revenue allocations for the 2017-19 biennium. House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$775 million is deposited in the general fund, tax relief fund, budget stabilization fund, strategic investment and improvements fund, and lignite research fund;
- The next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

⁹Section 11 of Senate Bill No. 2020 (2015) appropriates \$30 million from the state disaster relief fund to the State Water Commission for flood protection projects within the city limits of Fargo.

¹⁰Section 3 of Senate Bill No. 2016 (2015) appropriates \$2 million from the state disaster relief fund to the Adjutant General to provide for repair and replacement of infrastructure and for removal of debris and other health hazards in organized service districts that are experiencing chronic flooding. The Adjutant General is required to consult with the Environmental Division of the State Department of Health regarding the process of environmental cleanup.

¹¹Subdivision 9 of Section 1 of Senate Bill No. 2023 (2015) provides a deficiency appropriation of \$5 million from the state disaster relief fund for four disasters occurring in 2013 and 2014 (\$2.1 million) and for disasters occurring in 2009, 2010, and 2011 (\$2.9 million).

¹²Subdivision 6 of Section 1 of Senate Bill No. 2023 (2015) provides a deficiency appropriation of \$3 million from the state disaster relief fund to Valley City State University for flood protection.

¹³Section 5 of Senate Bill No. 2018 (2015) appropriates \$2 million from the state disaster relief fund for Double Ditch Historic Site repairs. Section 6 of House Bill No. 1018 (2017) appropriates \$500,000 from the state disaster relief fund for Double Ditch Historic Site repairs.

¹⁴Section 15 of Senate Bill No. 2020 (2015) appropriates \$4 million from the state disaster relief fund to the State Water Commission for levee projects for the Missouri River Correctional Center (\$1.2 million) and for Lincoln Township's Fox Island area (\$2.8 million).

¹⁵Section 1 of Senate Bill No. 2016 (2015) included spending authority of \$17.8 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2015-17 biennium.

¹⁶This amount is an estimate based on actual expenditures through March 31, 2020, and agency estimated expenditures through June 30, 2021.

¹⁷Section 1 of House Bill No. 1016 (2017) includes spending authority of \$8.5 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2017-19 biennium. Section 13 of House Bill No. 1016 (2017) includes carryover authority for amounts related to disaster costs for road grade raising projects. The amount of carryover was estimated to be approximately \$100,000.

¹⁸This amount reflects estimated oil tax revenue allocations for the 2019-21 biennium based on the 2019 legislative revenue forecast. House Bill No. 1066 (2019) and Senate Bill No. 2016 (2019) amend Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1. As amended, the allocation provides that after \$685 million is deposited in the general fund, tax relief fund, budget stabilization fund, and lignite research fund, then the next \$15 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$15 million.

¹⁹Section 1 of Senate Bill No. 2016 (2019) includes spending authority of \$7.1 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2019-21 biennium.

²⁰Section 4 of Senate Bill No. 2016 (2019) provides a 2017-19 biennium appropriation of \$8.1 million from the state disaster relief fund to the State Treasurer for the purpose of providing distributions to townships in non-oil-producing counties for maintenance and improvement of township roads and bridges.

FUND HISTORY

Section 37-17.1-27 (Section 4 of Senate Bill No. 2012 (2009)) establishes a state disaster relief fund. Any interest or other fund earnings must be deposited in the fund. In Senate Bill No. 2369 (2011), the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidentially declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. In Senate Bill No. 2292 (2013), the Legislative Assembly further amended the section to allow money in the fund to be used for wide area search and rescue activities. Section 6 of Senate Bill No. 2055 (2019) further amends Section 37-17.1-27 to allow the fund to be used for the state share of FEMA disaster response, recovery, and mitigation grants, to remove the requirement for Emergency Commission and Budget Section approval of the use of money that has been appropriated by the Legislative Assembly, and to provide for the Adjutant General to report to the Budget Section on fund expenditures.

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2249
2/17/2021
Senate Appropriations Committee

Relating to deposits of the state's share of oil and gas taxes.

Senator Holmberg opened the committee work at 8:47 a.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Senator Heckaman moved DO PASS on SB 2249.
Senator Bekkedahl second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call Vote – 14-0-0. Motion carried.

Senator Heckaman will carry the bill.

Senator Holmberg closed the committee work at 10:18 a.m.

Rose Laning, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2249: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS**
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2249 was placed on the
Eleventh order on the calendar.

2021 HOUSE FINANCE AND TAXATION

SB 2249

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2249
3/16/2021
AM

A bill relating to deposits of the state's share of oil and gas taxes.

Madam Vice Chairman Steiner opened the hearing at 10:00am.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	AB
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- State Disaster Relief Fund
- Increasing amount into the State Disaster Relief Fund

Senator Heitkamp introduced bill (no written testimony).

Additional written testimony:

Senator Heckaman, support, #9452.

Madam Vice Chairman Steiner closed the hearing at 10:03am.

Mary Brucker, Committee Clerk

SB 2249

Senator Joan Heckaman

Chairman and Members of the Committee: For the record, I am Senator Joan Heckaman from New Rockford and I serve District 23. I am pleased Sen. Heitkamp invited me to join in sponsoring SB 2249 relating to the state Disaster Relief Fund.

The Disaster Relief Fund receives a portion of funding from a direct appropriation from the legislature. This fund provides the state share of presidential declared disasters. The funds can also be used for costs associated with a wide-area search and rescue. Recent Presidential Disasters were declared for excess rain/moisture.

All funds in this account are subject to approval of expenditures by the Legislative Assembly, the Emergency Commission, and the Budget Section. We get updates from Brady Larson at Legislative Council. I have attached a couple of pages from the December and January reports.

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North Dakota is a "Managing State" which means the Division of Homeland Security assumes the disaster program management responsibilities and coordinates with FEMA on projects. In my research, I found that the funds are distributed on a 75%/25% basis with the majority coming from the Feds and the 25% share coming from state and local funds.

Online, the fund is listed as having a balance of \$20.2 Million on December 1, 2020. I have been in touch with Cody Schulz from Disaster Emergency Services and I would be appreciative if he could come forward and add information for the committee. I believe he would have information that would help this committee make its decision.

Chairman, that completes my testimony.

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2249
3/17/2021

A bill relating to deposits of the state's share of oil and gas taxes.

Chairman Headland opened the discussion at 10:49am.

Discussion Topics:

- State Disaster Relief Fund
- Committee decision

Representative Ertelt distributed a copy of an email from Alex Cronquist and two analysis of the state disaster relief fund, #9822, 9821, 9823.

Representative Ertelt made a motion for a DO PASS.

Representative Ista seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	N
Representative Vicky Steiner	N
Representative Dick Anderson	N
Representative Glenn Bosch	N
Representative Jason Dockter	N
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	N
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Motion carried 8-6-0

Representative Fisher is the bill carrier.

Chairman Headland closed discussion at 11:03am.

Mary Brucker, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2249: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). SB 2249 was placed on the Fourteenth order on the calendar.

From: [Cronquist, Alex J.](#)
To: [Ertelt, Sebastian](#)
Cc: [Knudson, Allen H.](#)
Subject: State Disaster Relief Fund
Date: Tuesday, March 16, 2021 4:34:49 PM
Attachments: [State Disaster Relief Fund - 2007-2015.pdf](#)
[State Disaster Relief Fund - 2015-2021 Crossover.pdf](#)

Representative Ertelt,

This email is in response to your request for information regarding the state disaster relief fund. Attached are two analyses of the fund, one from June 2014 and one from March 2021, which provide additional information regarding the history of the fund, including the fund balance and expenditures. The state disaster relief fund was created by the 2009 Legislative Assembly with a transfer of \$43 million from the general fund. An additional \$22 million was transferred to or allocated to the fund from oil and gas tax revenue during the 2009-11, 2011-13, and 2013-15 bienniums. The 2015 Legislative Assembly amended law relating to the allocation of oil and gas tax revenue to provide that up to \$22 million would be deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$25 million. The 2017 Legislative Assembly further amended the law to provide that up to \$20 million would be deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million. The 2019 Legislative Assembly further amended the law to provide that up to \$15 million would be deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$15 million.

If you have any questions or would like to request additional information, please feel free to contact us.

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**ANALYSIS OF THE STATE DISASTER RELIEF FUND FOR THE
2015-17, 2017-19, 2019-21, AND 2021-23 BIENNIUMS
(REFLECTING LEGISLATIVE ACTION THROUGH CROSSOVER)**

	2015-17 Biennium Actual		2017-19 Biennium Actual		2019-21 Biennium Estimated		2021-23 Biennium Estimated	
Beginning balance		\$75,867,942		\$36,687,549		\$21,987,295		\$14,866,320
Add revenues								
Interest income	\$50,723		\$73,130		\$65,000		\$65,000	
Miscellaneous reimbursements	2,716,118		698,534		75,000		75,000	
Oil and gas tax collections	3,482,364 ¹		0 ⁹		0 ¹²		17,544,852 ¹⁶	
Total revenues		6,249,205		771,664		140,000		17,684,852
Total available		\$82,117,147		\$37,459,213		\$22,127,295		\$32,551,172
Less estimated expenditures								
2009 flooding	\$247,214 ⁴		\$57,462 ¹⁰					
2010 flooding	269,007 ⁴		1,199,702 ¹⁰					
April 2010 ice storm	102,560 ⁴							
2011 flooding	6,366,153 ⁴		2,923,747 ¹⁰		\$2,417,926 ¹³			
2011 ice storm	925 ⁴							
Disaster response coordination contract	200,000 ²							
State disasters and flood mitigation efforts (road grade raising projects)	2,562 ⁴		18,620 ¹⁰					
Flood-impacted housing assistance grant program	1,088,468 ⁴							
Disaster recovery planning and technical services	34,810 ³							
Fargo interior flood protection	30,000,000 ⁵							
Chronic flooding relief	2,000,000 ⁶							
2013 Red River Valley flood	589,741 ⁴		912,450 ¹⁰					
2013 winter storm	59,539 ⁴		628,258 ¹⁰		113 ¹³			
2014 rain storms	84,122 ⁴		72,201 ¹⁰		100,126 ¹³			
2017 flooding					759,449 ¹³		\$99,163 ¹⁷	
Federal Emergency Management Agency (FEMA) mitigation programs					652,821 ¹³		847,411 ¹⁷	
Double Ditch Historic Site repairs	384,497 ⁷		1,694,478 ⁷					
Bismarck area flood protection	4,000,000 ⁸							
Dickey County FEMA repayment					200,000 ¹³			

Non-oil-producing township road maintenance and improvement		7,965,000 ¹¹			8,100,000 ¹¹	
Emergency township road repairs					500,000 ¹⁸	
2019 flooding				1,829,780 ¹⁴	2,132,578 ¹⁷	
2020 flooding				1,300,760 ¹⁴	872,020 ¹⁷	
Total estimated expenditures and transfers	45,429,598	15,471,918		7,260,975 ¹⁵		12,551,172
Estimated ending balance	<u>\$36,687,549</u>	<u>\$21,987,295</u>		<u>\$14,866,320</u>		<u>\$20,000,000</u>

¹This amount reflects actual oil tax revenue allocations for the 2015-17 biennium. House Bill No. 1377 (2015) amended North Dakota Century Code Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$700 million is deposited in the general fund, tax relief fund, and strategic investment and improvements fund;
- The next \$22 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$25 million; and
- Any additional revenues:
 - 70 percent into the strategic investment and improvements fund; and
 - 30 percent into the political subdivision allocation fund.

²Senate Bill No. 2016 (2015) provided a \$200,000 appropriation from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters.

³Senate Bill No. 2016 (2015) appropriated \$1 million for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs associated with preparedness, mitigation, and response and recovery.

⁴Section 1 of Senate Bill No. 2016 (2015) included spending authority of \$17.8 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2015-17 biennium.

⁵Section 11 of Senate Bill No. 2020 (2015) appropriates \$30 million from the state disaster relief fund to the State Water Commission for flood protection projects within the city limits of Fargo.

⁶Section 3 of Senate Bill No. 2016 (2015) appropriates \$2 million from the state disaster relief fund to the Adjutant General to provide for repair and replacement of infrastructure and for removal of debris and other health hazards in organized service districts that are experiencing chronic flooding. The Adjutant General is required to consult with the Environmental Division of the State Department of Health regarding the process of environmental cleanup.

⁷Section 5 of Senate Bill No. 2018 (2015) appropriates \$2 million from the state disaster relief fund for Double Ditch Historic Site repairs. Section 6 of House Bill No. 1018 (2017) appropriates \$500,000 from the state disaster relief fund for Double Ditch Historic Site repairs.

⁸Section 15 of Senate Bill No. 2020 (2015) appropriates \$4 million from the state disaster relief fund to the State Water Commission for levee projects for the Missouri River Correctional Center (\$1.2 million) and for Lincoln Township's Fox Island area (\$2.8 million).

⁹This amount reflects actual oil tax revenue allocations for the 2017-19 biennium. House Bill No. 1152 (2017) amended Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$775 million is deposited in the general fund, tax relief fund, budget stabilization fund, strategic investment and improvements fund, and lignite research fund;

- The next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

¹⁰Section 1 of House Bill No. 1016 (2017) includes spending authority of \$8.5 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2017-19 biennium. Section 13 of House Bill No. 1016 (2017) includes carryover authority for amounts related to disaster costs for road grade raising projects. The amount of carryover was estimated to be approximately \$100,000.

¹¹Section 4 of Senate Bill No. 2016 (2019) provides a 2017-19 biennium appropriation of \$8.1 million from the state disaster relief fund to the State Treasurer for the purpose of providing distributions to townships in non-oil-producing counties for maintenance and improvement of township roads and bridges. Section 4 of House Bill No. 1015 (2021) provides a 2021-23 biennium appropriation of \$8.1 million from the state disaster relief fund to the State Treasurer for the purpose of providing distributions to townships in non-oil-producing counties for maintenance and improvement of township roads and bridges.

¹²This amount reflects estimated oil tax revenue allocations for the 2019-21 biennium based on the 2021 legislative revenue forecast. House Bill No. 1066 (2019) and Senate Bill No. 2016 (2019) amend Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1. As amended, the allocation provides that after \$685 million is deposited in the general fund, tax relief fund, budget stabilization fund, and lignite research fund, then the next \$15 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$15 million.

¹³Section 1 of Senate Bill No. 2016 (2019) includes spending authority of \$7.1 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2019-21 biennium.

¹⁴Section 1 of House Bill No. 1025 (2021) includes a deficiency appropriation of \$3,130,540 from the state disaster relief fund for expenses related to flooding in the spring of 2019, fall of 2019, and spring of 2020.

¹⁵This amount is an estimate based on actual expenditures through December 31, 2020, and agency estimated expenditures through June 30, 2021.

¹⁶This amount reflects estimated oil tax revenue allocations for the 2021-23 biennium based on the 2021 legislative revenue forecast. House Bill No. 1015 (2021) and Senate Bill No. 2249 (2021) amend Section 57-51.1-07.5 to provide for the allocation of the state's share of oil and gas tax revenues under Chapters 57-51 and 57-51.1. As amended, the allocation provides that after \$685 million is deposited in the general fund, tax relief fund, budget stabilization fund, and lignite research fund, then the next \$20 million is deposited in the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20 million.

¹⁷Section 1 of House Bill No. 1016 (2021) includes spending authority of \$4 million from the state disaster relief fund for expenses related to unclosed state disasters in the 2021-23 biennium.

¹⁸Section 4 of Senate Bill No. 2012 (2021) provides a 2021-23 biennium appropriation of \$500,000 from the state disaster relief fund to the Department of Transportation to provide grants to townships for emergency township road repairs.

FUND HISTORY

Section 37-17.1-27 (Section 4 of Senate Bill No. 2012 (2009)) establishes a state disaster relief fund. Any interest or other fund earnings must be deposited in the fund. In Senate Bill No. 2369 (2011), the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidentially declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. In Senate Bill No. 2292 (2013), the Legislative Assembly further amended the section to allow money in the fund to be used for wide area search and rescue activities. Section 6 of Senate Bill No. 2055 (2019) further amends Section 37-17.1-27 to allow the fund to be used for the state share of FEMA disaster response, recovery, and mitigation grants, to remove the requirement for Emergency Commission and Budget Section approval of the use of money that has been appropriated by the Legislative Assembly, and to provide for the Adjutant General to report to the Budget Section on fund expenditures.

ANALYSIS OF THE STATE DISASTER RELIEF FUND FOR THE 2007-09, 2009-11, 2011-13, AND 2013-15 BIENNIUMS

	2007-09 Biennium Actual		2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimated	
Beginning balance		\$0		\$37,623,216		\$34,675,167		\$77,651,986
Add revenues								
Transfer from the general fund	\$43,000,000 ¹							
Transfer from the permanent oil tax trust fund (2011 SB 2369)			\$22,000,000 ²					
Transfer from the general fund (Section 17 of 2011 SB 2371)					\$48,700,000 ³			
Interest income			199,420		70,784		\$70,000	
Federal funds - Volunteer hours adjustment and local share federal-to-federal mission assignments			612,263		1,604,101			
National Guard/DES reimbursements			136,057		705,949		600,000	
Oil and gas tax collections					22,000,000 ⁴		22,000,000 ⁴	
Total revenues		43,000,000		22,947,740		73,080,834		22,670,000
Total available		\$43,000,000		\$60,570,956		\$107,756,001		\$100,321,986
Less expenditures								
Emergency snow removal grants (2009 SB 2012; 2011 SB 2369)	\$5,376,784 ⁵		\$9,000,000 ⁶					
Costs relating to disasters occurring prior to 2009			513,321 ⁷		\$826,535 ⁸			
Costs relating to 2009 flooding			5,739,762 ⁷		2,656,019 ⁸		\$1,244,077 ^{8,15}	
Costs relating to the January 2010 winter snowstorm			1,506,693 ⁷		69,717 ³		309,435 ³	
Costs relating to 2010 flooding			3,390,192 ⁷		164,272 ³		1,652,694 ³	
Costs relating to the April 2010 ice storm			2,854,089 ⁷		544,137 ³		517,154 ³	
Costs relating to the April 2011 blizzard			16,937 ⁷					
Costs relating to 2011 flooding			2,874,795 ⁷		12,261,836 ^{3,9,10}		6,784,751 ^{3,9,10,15}	
Costs relating to flooding in incorporated cities					1,715,887 ¹⁰		1,484,113 ¹⁰	
Disaster response coordination contract (2011 SB 2016; 2013 HB 1016)					400,000 ¹¹		400,000 ¹¹	

	2007-09 Biennium Actual		2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimated	
State disasters and flood mitigation efforts (2011 SB 2016; 2011 SB 2369)					7,240 ¹⁰		4,790,631 ¹⁰	
Contingent appropriation for 2012 disaster event (Section 16 of 2011 SB 2371)					0 ³			
Flood-impacted housing assistance grant program (Section 9 of 2011 SB 2371)					5,458,372 ³		4,541,628 ³	
Flood-impacted housing assistance grant program (Section 4 of 2013 HB 1016)							1,500,000 ¹³	
Road grade raising projects - Department of Transportation (Section 14 of 2011 SB 2371)					6,000,000 ³			
Disaster recovery planning and technical services							1,500,000 ¹⁴	
Total expenditures and transfers		5,376,784		25,895,789		30,104,015 ¹²		24,724,483 ¹⁵
Ending balance		<u>\$37,623,216</u>		<u>\$34,675,167</u>		<u>\$77,651,986</u>		<u>\$75,597,503¹⁵</u>

¹Section 5 of 2009 Senate Bill No. 1012 provided the Office of Management and Budget (OMB) transfer \$43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.

²Senate Bill No. 2369 (2011) provided a \$22 million transfer from the permanent oil tax trust fund to the state disaster relief fund and authorized the Adjutant General to use this funding for costs associated with state disasters and flood mitigation efforts.

³Section 17 of 2011 Senate Bill No. 2371 provided OMB transfer \$48.7 million from the general fund to the state disaster relief fund during the 2011-13 biennium for the following purposes:

Relief Assistance	Transfer Amount	Appropriation Authority
Disaster-related expenses	\$32,700,000	Section 15 of 2011 Senate Bill No. 2371 provided appropriation authority of \$29.5 million from the state disaster relief fund to the Adjutant General for providing the required state share of funding for expenses associated with presidentially declared state disasters. Section 16 of Senate Bill No. 2371 provided a contingent appropriation of \$5 million from the state disaster relief fund to the Adjutant General relating to grants to political subdivisions for a portion of the local share required to match federal emergency relief funding. The funding was contingent upon a 2012 disaster event exceeding \$50 million in damages across the state. The state did not experience a disaster event exceeding \$50 million in 2012.
Flood-impacted housing assistance grant program	10,000,000	Section 9 of Senate Bill No. 2371 appropriated \$10 million from the state disaster relief fund to the Adjutant General for providing: <ul style="list-style-type: none"> • Additional rebuilders loan program funding to the Bank of North Dakota. • Funding to political subdivisions for flood-impacted housing rehabilitation. Funding must be

		used as deemed most effective in that community to assist homeowners in rehabilitation or replacement of their flood-damaged homes and to retain homeowners in the community.
Road grade raising grants	6,000,000	Section 14 of Senate Bill No. 2371 appropriated \$6 million from the state disaster relief fund to the Department of Transportation for grants to counties for road grade raising projects on federal aid eligible roads.
Total	\$48,700,000	

⁴House Bill No. 1451 (2011) created a new section to North Dakota Century Code Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first \$200 million is deposited in the general fund;
- The next \$341,790,000 is deposited in the property tax relief sustainability fund;
- The next \$100 million is deposited in the general fund;
- The next \$100 million is deposited in the strategic investment and improvements fund;
- The next \$22 million is deposited in the state disaster relief fund; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

For the 2011-13 biennium, the deposit of \$22 million of oil and gas tax collections in the state disaster relief fund occurred in October 2012.

⁵Section 6 of 2009 Senate Bill No. 2012 authorized up to \$20 million from the state disaster relief fund to be used for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012. Section 7 of Senate Bill No. 2012 provided a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services distributed these grants prior to June 30, 2009.

⁶Section 2 of 2011 Senate Bill No. 2369 authorized up to \$9 million from the state disaster relief fund to be used for providing emergency snow removal grants to counties, cities, and townships. Section 2 of Senate Bill No. 2369 provided a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 60 percent of the costs incurred by the county, township, or city for the period January 2011 through March 2011 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services distributed \$9 million in grants prior to June 30, 2011, and reported to the Budget Section regarding the grants awarded under this section on September 15, 2011.

⁷Section 6 of 2009 Senate Bill No. 2012 authorized up to \$23 million from the state disaster relief fund to be used for paying costs relating to the 2009 flood disaster, snow removal damage to roads, and other disasters in accordance with Section 8 of Senate Bill No. 2012. Section 8 of Senate Bill No. 2012 provided a political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 through June 2009 may apply to the Department of Emergency Services for an emergency relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding.

⁸Section 1 of 2011 Senate Bill No. 2016 included spending authority of \$7.8 million from the state disaster relief fund for expenses related to the 2009 flood disaster (\$3,369,258) and other unclosed state disasters (\$4,473,046) in the 2011-13 biennium.

⁹Section 5 of 2011 Senate Bill No. 2016 appropriated \$3.5 million from the state disaster relief fund to the Adjutant General for the purpose of providing the required state share of funding for defraying the expenses associated with presidential-declared disasters pursuant to Section 37-17.1-27.

¹⁰Section 4 of 2011 Senate Bill No. 2369 appropriated \$22 million from the state disaster relief fund for flood-related costs for the remainder of the 2009-11 biennium and for the 2011-13 biennium. Subject to Emergency Commission and Budget Section approval, the Adjutant General may use the funding for city flood mitigation projects (up to \$3.2 million) and for disaster relief relating to 2011 spring flooding, road grade raising projects, 50 percent of the local match for disasters occurring from January 2011 through June 2011, and state expenses associated with presidential-declared disasters in the state. In September 2011 the Adjutant General received Emergency Commission and Budget Section approval for 2011-13 expenses of \$17.5 million for flood disasters, \$1.2 million for funding specific city flood mitigation projects, and \$4.8 million for road grade raising and matching grants to political subdivisions.

¹¹In 2011 Senate Bill No. 2016, the Legislative Assembly provided authority to the Department of Emergency Services to utilize funding of \$400,000 from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all

aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters. House Bill No. 1016 (2013) continues the same level of funding for the 2013-15 biennium.

¹²Total 2011-13 state disaster relief fund appropriation authority provided to the Adjutant General consists of:

\$22,000,000	see Footnote 10
3,500,000	see Footnote 8
7,842,304	see Footnote 7
400,000	see Footnote 11
<u>42,700,000</u>	see Footnote 3
\$76,442,304	

¹³Section 4 of 2013 House Bill No. 1016 appropriates \$1.5 million from the state disaster relief fund to the Housing Finance Agency to provide grants to counties, cities, local housing authorities, and other nonprofit entities providing flood-impacted housing assistance. The section requires an entity requesting grant funding to certify to the Housing Finance Agency that housing occupants are eligible to receive housing assistance under federal Department of Housing and Urban Development guidelines, that a land use agreement is in place for temporary housing units, and that a plan has been developed for the disposal of temporary housing units. The Housing Finance Agency is to develop guidelines for the distribution of funds, including the frequency of the distribution of grant funds.

¹⁴The 2013-15 biennium legislative appropriations include funding of \$1.5 million for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs associated with preparedness, mitigation, and response and recovery.

¹⁵The Adjutant General estimates approximately \$20 million of estimated costs associated with the 2009 and 2011 flood disasters will be paid in the 2015-17 biennium. The amounts shown for 2013-15 biennium estimated expenditures for the 2009 and 2011 flood disasters have been adjusted proportionately to reflect the share of these expenses that one anticipated to be paid in the 2015-17 biennium. The estimated costs associated with 2009 flooding total \$4,343,103, of which \$1,244,077 is reflected as being paid in the 2013-15 biennium and \$3,099,026 in the 2015-17 biennium. The estimated costs associated with 2011 flooding total \$23,685,725, of which \$6,784,751 is reflected as being paid in the 2013-15 biennium and \$16,980,974 in the 2015-17 biennium. After deducting this \$20 million obligation, the estimated ending fund balance on June 30, 2015, is \$55,597,503.

NOTE: The estimated June 30, 2015, balance made at the end of the 2013 legislative session was \$73,427,308. The increase in the estimated balance of \$2,170,195 is due primarily to a decrease in estimated costs related to 2009 and 2011 flooding that are anticipated to be paid in the 2013-15 biennium.

FUND HISTORY

Section 37-17.1-27 (Section 4 of 2009 Senate Bill No. 2012) establishes a state disaster relief fund. In 2011 Senate Bill No. 2369, the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidential-declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. Any interest or other fund earnings must be deposited in the fund.