

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1014

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial
2 commission and the agencies under the management of the industrial commission; to provide a
3 continuing appropriation; to provide a contingent appropriation; to authorize transfers; ~~to provide~~
4 ~~legislative intent;~~to create and enact a new section to chapter 6-09 of the North Dakota Century
5 Code, relating to a North Dakota financial center; to amend and reenact sections 54-17-40,
6 54-17-41, 54-17.5-02, and 57-38-01.32 of the North Dakota Century Code ~~and~~, section 22 of
7 chapter 579 of the 2011 Session Laws, and section 9 of House Bill No. 1358, as approved by
8 the sixty-fourth legislative assembly, relating to the housing incentive fund credits, the lignite
9 research council, ~~and~~ the use of the flex PACE program, and a transfer from the abandoned oil
10 and gas well plugging and site reclamation fund; and to provide exemptions; to provide
11 legislative intent; to provide for transfers; to provide for contingent transfers; to provide for a
12 report to the legislative council; to provide for reports to legislative management and
13 appropriations committees; to provide a contingent effective date; to provide an expiration date;
14 and to declare an emergency.

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

16 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
17 as may be necessary, are appropriated out of any moneys in the general fund in the state
18 treasury, not otherwise appropriated, and from special funds derived from federal funds and
19 other income, to the state industrial commission and agencies under its control for the purpose
20 of defraying the expenses of the state industrial commission and agencies under its control, for
21 the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

22 Subdivision 1.

23 INDUSTRIAL COMMISSION

		Adjustments or		
	Base Level	Enhancements	Appropriation	
1				
2				
3	Salaries and wages	\$17,873,876	\$4,345,078	\$22,218,954
4	Accrued leave payments	347,696	(347,696)	0
5	Operating expenses	4,775,576	1,552,846	6,328,422
6	Grants	19,500,000	(14,500,000)	5,000,000
7	Grants - bond payments	19,809,969	(4,769,140)	15,040,829
8	Total all funds	\$62,307,117	(\$13,718,912)	\$48,588,205
9	Less estimated income	40,973,792	(23,974,385)	16,999,407
10	Total general fund	\$21,333,325	\$10,255,473	\$31,588,798
11	Full-time equivalent positions	98.75	16.00	114.75
12	Salaries and wages	\$17,873,876	\$5,041,695	\$22,915,571
13	Accrued leave payments	347,696	(347,696)	0
14	Operating expenses	4,775,576	4,187,144	8,962,720
15	Capital assets	0	13,666,822	13,666,822
16	Grants	19,500,000	(14,500,000)	5,000,000
17	Grants - bond payments	19,809,969	(4,769,140)	15,040,829
18	Total all funds	\$62,307,117	\$3,278,825	\$65,585,942
19	Less estimated income	40,973,792	(10,354,023)	30,619,769
20	Total general fund	\$21,333,325	\$13,632,848	\$34,966,173
21	Full-time equivalent positions	98.75	23.00	121.75

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

		Adjustments or		
	Base Level	Enhancements	Appropriation	
24				
25				
26	Bank of North Dakota operations	\$51,523,916	\$7,156,915	\$58,680,831
27	Accrued leave payments	881,231	(881,231)	0
28	Capital assets	745,000	0	745,000
29	Total special funds	\$53,150,147	\$6,275,684	\$59,425,831
30	Bank of North Dakota operations	\$51,523,916	\$7,018,385	\$58,542,301
31	Accrued leave payments	881,231	(881,231)	0

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1	<u>Capital assets</u>	745,000	17,000,000	17,745,000
2	<u>Total special funds</u>	\$53,150,147	\$23,137,154	\$76,287,301
3	Full-time equivalent positions	179.50	2.00	181.50
4	Subdivision 3.			
5	MILL AND ELEVATOR ASSOCIATION			
6			Adjustments or	
7		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8	Salaries and wages	\$29,141,750	\$6,837,821	\$35,979,571
9	<u>Salaries and wages</u>	\$29,141,750	\$7,137,148	\$36,278,898
10	Accrued leave payments	575,807	(575,807)	0
11	Operating expenses	21,796,000	5,531,000	27,327,000
12	Contingencies	400,000	100,000	500,000
13	Agriculture promotion	210,000	0	210,000
14	Total from mill and elevator fund	\$52,123,557	\$11,893,014	\$64,016,571
15	<u>Total from mill and elevator fund</u>	\$52,123,557	\$12,192,341	\$64,315,898
16	Full-time equivalent positions	135.00	12.00	147.00
17	Subdivision 4.			
18	HOUSING FINANCE AGENCY			
19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Salaries and wages	\$7,434,877	\$343,660	\$7,778,537
22	<u>Salaries and wages</u>	\$7,434,877	\$310,157	\$7,745,034
23	Accrued leave payments	147,806	(147,806)	0
24	Operating expenses	3,791,758	(47,483)	3,744,275
25	Grants	29,533,050	(3,602,270)	25,930,780
26	Housing finance agency contingencies	100,000	0	100,000
27	Total special funds	\$41,007,491	(\$3,453,899)	\$37,553,592
28	<u>Total special funds</u>	\$41,007,491	(\$3,487,402)	\$37,520,089
29	Full-time equivalent positions	46.00	0.00	46.00
30	Subdivision 5.			
31	BILL TOTAL			

		Adjustments or		
	Base Level	Enhancements	Appropriation	
3	Grand total general fund	\$21,333,325	\$10,255,473	\$31,588,798
4	Grand total special funds	187,254,987	(9,259,586)	177,995,401
5	Grand total all funds	\$208,588,312	\$995,887	\$209,584,199
6	<u>Grand total general fund</u>	<u>\$21,333,325</u>	<u>\$13,632,848</u>	<u>\$34,966,173</u>
7	<u>Grand total special funds</u>	<u>187,254,987</u>	<u>31,488,070</u>	<u>218,743,057</u>
8	<u>Grand total all funds</u>	<u>\$208,588,312</u>	<u>\$45,120,918</u>	<u>\$253,709,230</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the grand total appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
14	Oil-bearing rock study	\$80,000	\$0
15	Possible litigation	1,000,000	0
16	<u>Possible litigation</u>	<u>1,000,000</u>	<u>2,500,000</u>
17	Core library - architect services	25,000	0
18	Temperature profiles study	50,000	0
19	Wide-bed plotter	5,800	0
20	Lignite research council grants	0	5,000,000
21	All-terrain vehicles	0	41,500
22	Aerial photography	0	104,143
23	Contract analysis	0	125,000
24	Digital conversion	0	100,000
25	Migration to RBDMS.net	0	250,000
26	<u>Financial center project</u>	<u>0</u>	<u>17,000,000</u>
27	<u>Core library expansion project</u>	<u>0</u>	<u>13,625,322</u>
28	Medical loan program	50,000,000	0
29	Housing incentive fund	15,400,000	0
30	Flood housing grants	1,500,000	0
31	Total all funds	\$68,060,800	\$5,620,643

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1	Total special fund	51,500,000	0
2	Total general fund	\$16,560,800	\$5,620,643
3	Total all funds	\$68,060,800	\$38,745,965
4	Total special fund	51,500,000	30,625,322
5	Total general fund	\$16,560,800	\$8,120,643

6 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
7 2017-19 biennium. The industrial commission shall report to the appropriations committees of
8 the sixty-fifth legislative assembly on the use of this one-time funding for the biennium
9 beginning July 1, 2015, and ending June 30, 2017.

10 **SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$15,040,829
11 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be
12 paid from the following funding sources during the biennium beginning July 1, 2015, and ending
13 June 30, 2017:

14	North Dakota university system	\$8,368,836
15	North Dakota university system - energy conservation projects	491,161
16	Department of corrections and rehabilitation	1,279,524
17	Department of corrections and rehabilitation - energy conservation projects	16,206
18	State department of health	637,940
19	Job service North Dakota	427,131
20	Office of management and budget	664,952
21	Office of attorney general	765,483
22	State historical society	1,391,668
23	Parks and recreation department	73,592
24	Research and extension service	571,126
25	Veterans' home	<u>353,210</u>
26	Total	\$15,040,829

27 **SECTION 4. APPROPRIATION.** In addition to the amount appropriated to the housing
28 finance agency in subdivision 4 of section 1 of this Act, there is appropriated any additional
29 income or unanticipated income from federal or other funds which may become available to the
30 agency for the biennium beginning July 1, 2015, and ending June 30, 2017.

1 **SECTION 5. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In addition to
2 the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this
3 Act, there is appropriated, with the approval of the emergency commission, funds that may
4 become available to the commission from bonds authorized by law to be issued by the state
5 industrial commission for the biennium beginning July 1, 2015, and ending June 30, 2017.

6 **SECTION 6. TRANSFER.** The sum of \$930,000, or so much of the sum as may be
7 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
8 this Act, may be transferred from the entities within the control of the state industrial commission
9 or entities directed to make payments to the industrial commission fund for administrative
10 services rendered by the commission. Transfers shall be made during the biennium beginning
11 July 1, 2015, and ending June 30, 2017, upon order of the commission. Transfers from the
12 student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

13 **SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - HOUSING INCENTIVE FUND.**

14 The Bank of North Dakota shall transfer the sum of \$5,000,000 from the Bank's current
15 earnings and undivided profits to the housing incentive fund for the period beginning with the
16 effective date of this Act, and ending June 30, 2017.

17 **SECTION 8. CONTINGENT TRANSFER - BANK OF NORTH DAKOTA - HOUSING**
18 **INCENTIVE FUND.** The Bank of North Dakota shall transfer the sum of \$5,000,000 from the
19 Bank's current earnings and undivided profits to the housing incentive fund for the period
20 beginning July 1, 2015, and ending June 30, 2017, if the Bank's net income, reported in
21 accordance with financial accounting standards board accounting standards, for the calendar
22 year 2015 exceeds \$130,000,000. The funding provided in this section may be used only for
23 housing incentive fund awards in cities with a population of fewer than 12,500 according to the
24 last official decennial federal census.

25 **SECTION 9. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING**
26 **COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of \$28,000,000,
27 or so much of the sum as may be necessary, from the Bank's current earnings and undivided
28 profits to the partnership in assisting community expansion fund during the biennium beginning
29 July 1, 2015, and ending June 30, 2017.

30 **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE**
31 **PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall

1 transfer the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's
2 current earnings and undivided profits to the agriculture partnership in assisting community
3 expansion fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

4 **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN**
5 **ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of
6 \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and
7 undivided profits to the biofuels partnership in assisting community expansion fund during the
8 biennium beginning July 1, 2015, and ending June 30, 2017.

9 **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER**
10 **REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer the sum of \$7,000,000, or
11 so much of the sum as may be necessary, from the Bank's current earnings and undivided
12 profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2015,
13 and ending June 30, 2017.

14 ~~—SECTION 11. MILL AND ELEVATOR PROFITS -- TRANSFER TO THE GENERAL FUND--~~
15 ~~Notwithstanding any other provision of law, the industrial commission shall transfer to the state~~
16 ~~general fund seventy five percent of the annual earnings and undivided profits of the North~~
17 ~~Dakota mill and elevator association after any transfers to other state agricultural-related~~
18 ~~programs during the biennium beginning July 1, 2015, and ending June 30, 2017. The moneys~~
19 ~~must be transferred on an annual basis in the amounts and at the times requested by the~~
20 ~~director of the office of management and budget.~~

21 **SECTION 13. BANK OF NORTH DAKOTA - MEDICAL PARTNERSHIP IN ASSISTING**
22 **COMMUNITY EXPANSION PROGRAM.** The Bank of North Dakota shall develop a medical
23 partnership in assisting community expansion program to assist in the financing of critical
24 access hospital medical infrastructure projects, for the period beginning with the effective date
25 of this Act, and ending June 30, 2017. The Bank shall adopt policies and procedures to
26 implement this program. Notwithstanding section 6-09.14-03, the Bank may originate loans
27 under this program or participate with a lead financial institution. Eligible projects that receive
28 funding for an interest rate buydown under this program are not subject to the community
29 commitment requirement in section 6-09.14-03, the maximum interest rate buydown limitation in
30 subsection 4 of section 6-09.14-04, or the state grantor recipient reporting requirement in
31 section 54-60.1-05.

1 **SECTION 14. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**

2 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite
3 research fund, or so much of the amount as may be necessary, may be used for the purpose of
4 contracting for an independent, nonmatching lignite marketing feasibility study or studies that
5 determine those focused priority areas where near-term, market-driven projects, activities, or
6 processes will generate matching private industry investment and have the most potential of
7 preserving existing lignite production and industry jobs or that will lead to increased
8 development of lignite and its products and create new lignite industry jobs and economic
9 growth for the general welfare of this state. Moneys appropriated under this section also may be
10 used for the purpose of contracting for nonmatching studies and activities in support of the
11 lignite vision 21 program; for litigation that may be necessary to protect and promote the
12 continued development of lignite resources; for nonmatching externality studies and activities in
13 externality proceedings; or other marketing, environmental, or transmission activities that assist
14 with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for
15 the purposes stated in this section are available to the commission for funding projects,
16 processes, or activities under the lignite research, development, and marketing program.

17 **SECTION 15. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING.**

18 The amount of \$556,260 from the general fund and five full-time equivalent positions included in
19 subdivision 1 of section 1 of this Act may be spent only in accordance with provisions of this
20 section if the monthly average drilling rig count exceeds one hundred forty drilling rigs. The
21 industrial commission shall notify the office of management and budget and the legislative
22 council each time one or more full-time equivalent positions is authorized to be hired. For
23 purposes of this section, the "monthly average drilling rig count" means the number, rounded to
24 the nearest whole number, calculated by dividing the sum of the daily drilling rig counts for a
25 calendar month by the number of days in the month. Of the \$556,260 and the five full-time
26 equivalent positions in this section, the industrial commission may spend funding and hire
27 full-time equivalent positions, as follows:

- 28 1. \$166,878, of which \$126,072 is from the salaries and wages line item and \$40,806 is
29 from the operating expenses line item, and one full-time equivalent position if the
30 monthly average drilling rig count exceeds one hundred forty drilling rigs.

- 1 2. In addition to the funding and full-time equivalent positions authorized in subsection 1,
2 \$139,065, of which \$105,060 is from the salaries and wages line item and \$34,005 is
3 from the operating expenses line item, and one full-time equivalent position if the
4 monthly average drilling rig count exceeds one hundred fifty-five drilling rigs.
- 5 3. In addition to the funding and full-time equivalent positions authorized in subsections 1
6 and 2, \$111,252, of which \$84,048 is from the salaries and wages line item and
7 \$27,204 is from the operating expenses line item, and one full-time equivalent position
8 if the monthly average drilling rig count exceeds one hundred seventy drilling rigs.
- 9 4. In addition to the funding and full-time equivalent positions authorized in subsections 1
10 through 3, \$83,439, of which \$63,036 is from the salaries and wages line item and
11 \$20,403 is from the operating expenses line item, and one full-time equivalent position
12 if the monthly average drilling rig count exceeds one hundred eighty-five drilling rigs.
- 13 5. In addition to the funding and full-time equivalent positions authorized in subsections 1
14 through 4, \$55,626, of which \$42,024 is from the salaries and wages line item and
15 \$13,602 is from the operating expenses line item, and one full-time equivalent position
16 if the monthly average drilling rig count exceeds two hundred drilling rigs.

17 **SECTION 16.** A new section to chapter 6-09 of the North Dakota Century Code is created
18 and enacted as follows:

19 **North Dakota financial center - Lease rates - Payments in lieu of taxes.**

20 The North Dakota financial center is a building that is owned by the Bank of North Dakota
21 and is adjacent to the building in which the Bank of North Dakota is housed. The Bank of North
22 Dakota shall lease the space in the North Dakota financial center to other state agencies based
23 on market rate lease prices. The Bank of North Dakota shall make payments in lieu of property
24 taxes in the manner and according to the conditions and procedures that would apply if the
25 building were privately owned.

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

1 **54-17-40. (Effective through June 30, 2015~~2017~~) Housing incentive fund - Continuing**
2 **appropriation - Report to budget section.**

- 3 1. The housing incentive fund is created as a special revolving fund at the Bank of North
4 Dakota. The housing finance agency may direct disbursements from the fund and a
5 continuing appropriation from the fund is provided for that purpose.
- 6 2. After a public hearing, the housing finance agency shall create an annual allocation
7 plan for the distribution of the fund. At least twenty-five percent of the fund must be
8 used to assist developing communities to address an unmet housing need or alleviate
9 a housing shortage. The agency may collect a reasonable administrative fee from the
10 fund, project developers, applicants, or grant recipients. The origination fee assessed
11 to grant recipients may not exceed five percent of the project award.

12 The annual allocation plan must give first priority through its scoring and ranking
13 process to housing for essential service workers. For purposes of this subsection,
14 "essential service workers" means individuals employed by a city, county, school
15 district, medical or long-term care facility, the state of North Dakota, or others as
16 determined by the housing finance agency who fulfill an essential public service.

17 The second priority in the annual allocation plan must be to provide housing for
18 individuals and families of low or moderate income. For purposes of this second
19 priority, eligible income limits are determined as a percentage of median family income
20 as published in the most recent federal register notice. Under this second priority, the
21 annual allocation plan must give preference to projects that benefit households with
22 the lowest income and to projects that have rent restrictions at or below department of
23 housing and urban development published federal fair market rents or department of
24 housing and urban development section 8 payment standards.

25 The housing finance agency shall maintain a register reflecting the number of
26 housing units owned or master leased by cities, counties, school districts, or other
27 employers of essential service workers. This register must also reflect those entities
28 that are providing rent subsidies for their essential workers. The housing finance
29 agency shall report quarterly to the budget section of the legislative management on
30 the progress being made to reduce the overall number of units owned, master leased,
31 or subsidized by these entities. This report must include a listing of projects approved

1 and number of units within those projects that provide housing for essential service
2 workers.

- 3 3. The housing finance agency shall adopt guidelines for the fund so as to address
4 unmet housing needs in this state. Assistance from the fund may be used solely for:
- 5 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
 - 6 b. Gap assistance, matching funds, and accessibility improvements;
 - 7 c. Assistance that does not exceed the amount necessary to qualify for a loan using
8 underwriting standards acceptable for secondary market financing or to make the
9 project feasible; and
 - 10 d. Rental assistance, emergency assistance, or targeted supportive services
11 designated to prevent homelessness.

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

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

20 **SECTION 18. AMENDMENT.** Section 54-17-41 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **54-17-41. (Effective through June 30, 2015-2017) Report.**

23 Upon request, the housing finance agency shall report to the industrial commission on the
24 activities of the housing incentive fund.

25 **SECTION 19. AMENDMENT.** Section 54-17.5-02 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **54-17.5-02. Lignite research council - Compensation - Appointment of members.**

28 The industrial commission shall consult with the lignite research council established by
29 executive order in matters of policy affecting the administration of the lignite research fund.

30 Section 44-03-04 does not apply to members of the council appointed by the governor.

1 **SECTION 20. AMENDMENT.** Section 57-38-01.32 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-38-01.32. (Effective for the first two taxable years beginning after December 31,**
4 **~~2012~~2014) Housing incentive fund tax credit.**

- 5 1. A taxpayer is entitled to a credit as determined under this section against state income
6 tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing
7 incentive fund under section 54-17-40. The amount of the credit is equal to the amount
8 contributed to the fund during the taxable year.
- 9 2. North Dakota taxable income must be increased by the amount of the contribution
10 upon which the credit under this section is computed but only to the extent the
11 contribution reduced federal taxable income.
- 12 3. The contribution amount used to calculate the credit under this section may not be
13 used to calculate any other state income tax deduction or credit allowed by law.
- 14 4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the
15 excess may be carried forward to each of the ten succeeding taxable years.
- 16 5. The aggregate amount of tax credits allowed to all eligible contributors is limited to
17 ~~twenty~~thirty million dollars.
- 18 6. Within thirty days after the date on which a taxpayer makes a contribution to the
19 housing incentive fund, the housing finance agency shall file with each contributing
20 taxpayer, and a copy with the tax commissioner, completed forms that show as to
21 each contribution to the fund by that taxpayer the following:
 - 22 a. The name, address, and social security number or federal employer identification
23 number of the taxpayer that made the contribution.
 - 24 b. The dollar amount paid for the contribution by the taxpayer.
 - 25 c. The date the payment was received by the fund.
- 26 7. To receive the tax credit provided under this section, a taxpayer shall claim the credit
27 on the taxpayer's state income tax return in the manner prescribed by the tax
28 commissioner and file with the return a copy of the form issued by the housing finance
29 agency under subsection 6.

1 8. Notwithstanding the time limitations contained in section 57-38-38, this section does
2 not prohibit the tax commissioner from conducting an examination of the credit
3 claimed and assessing additional tax due under section 57-38-38.

4 9. A passthrough entity making a contribution to the housing incentive fund under this
5 section is considered to be the taxpayer for purposes of this section, and the amount
6 of the credit allowed must be determined at the passthrough entity level. The amount
7 of the total credit determined at the entity level must be passed through to the
8 partners, shareholders, or members in proportion to their respective interests in the
9 passthrough entity.

10 **SECTION 21. AMENDMENT.** Section 22 of chapter 579 of the 2011 Session Laws is
11 amended and reenacted as follows:

12 **SECTION 22. FLEX PACE PROGRAM USE.** The Bank of North Dakota shall
13 utilize the flex partnership in assisting community expansion program to assist in
14 financing of affordable multifamily housing units for individuals in areas of North
15 Dakota affected by oil and gas development, for the period beginning with the effective
16 date of this Act and ending June 30, 20132019.

17 ~~**SECTION 18. LEGISLATIVE INTENT - CONTINGENT FUNDING PRIORITY LIST.** It is the
18 intent of the sixty-fourth legislative assembly that a list of funding priorities be developed for
19 contingent funding if the actual general fund revenues exceed the legislative forecast during
20 the 2015-17 biennium. The priorities may include a core library project, additional full-time-
21 equivalent positions for the industrial commission, transfers to the housing incentive fund, and
22 grants for the lignite research council.~~

23 **SECTION 22. AMENDMENT.** Section 9 of House Bill No. 1358, as approved by the
24 sixty-fourth legislative assembly, is amended and reenacted as follows:

25 **SECTION 9. APPROPRIATION TRANSFER - ABANDONED OIL AND GAS**
26 **WELL PLUGGING AND SITE RECLAMATION FUND TO THE OIL AND GAS**
27 **RESEARCH FUND - INDUSTRIAL COMMISSION.** Notwithstanding section-
28 ~~38-08-04.5, there is appropriated out of any moneys in the abandoned oil and gas well~~
29 ~~plugging and site reclamation fund in the state treasury, not otherwise~~
30 ~~appropriated,~~ **The office of management and budget shall transfer** the sum of
31 \$500,000, or so much of the sum as may be necessary, ~~to the industrial-~~

1 ~~commission~~ from the abandoned oil and gas well plugging and site reclamation fund to
2 the oil and gas research fund, for the biennium beginning July 1, 2015, and ending
3 June 30, 2017. The office of management and budget shall transfer the funds provided
4 under this section at the request of the industrial commission. The industrial
5 commission shall use the funding provided under this section for the purpose of
6 conducting a pilot program ~~involving the oil and gas research council~~ in conjunction
7 with research facilities in this state to determine the best techniques for remediating
8 salt and any other contamination from the soil surrounding waste pits reclaimed by
9 trenching between 1951 and 1984 in the north central portion of this state, ~~for the~~
10 ~~biennium beginning July 1, 2015, and ending June 30, 2017.~~ The industrial
11 commission may not require a research facility to provide matching funds to participate
12 in the program authorized under this section.

13 **SECTION 23. HOUSING FINANCE AGENCY - FLOOD-IMPACTED HOUSING**

14 **ASSISTANCE - EXEMPTION.** The amount appropriated for flood-impacted housing assistance
15 in section 4 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any
16 unexpended funds are available during the biennium beginning July 1, 2015, and ending
17 June 30, 2017.

18 **SECTION 24. INDUSTRIAL COMMISSION - POSSIBLE FEDERAL AGENCY LITIGATION**

19 **- EXEMPTION.** The amount appropriated for possible federal agency litigation in subdivision 1
20 of section 1 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and
21 any unexpended funds are available during the biennium beginning July 1, 2015, and ending
22 June 30, 2017.

23 **SECTION 25. INDUSTRIAL COMMISSION - CORE LIBRARY EXPANSION PROJECT -**
24 **EXEMPTION - LEGISLATIVE MANAGEMENT REPORT - STRATEGIC INVESTMENT AND**
25 **IMPROVEMENTS FUND.** The capital assets line item in subdivision 1 of section 1 of this Act
26 includes \$13,625,322 from the strategic investment and improvements fund for the purpose of
27 expanding the core library. The funding appropriated for this purpose is not subject to section
28 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1,
29 2017, and ending June 30, 2019. The industrial commission shall report to the legislative
30 management and to the appropriations committees of the sixty-fifth legislative assembly on the
31 use of the funding provided for the core library project, including the amounts spent to date and

1 the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the
2 project.

3 **SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH DAKOTA**
4 **FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT.** The capital
5 assets line item in subdivision 2 of section 1 of this Act includes \$17,000,000 from the assets of
6 the Bank of North Dakota for the purpose of constructing a North Dakota financial center on a
7 site adjacent to the existing building in which the Bank is located. The Bank may spend the
8 funding only if the Bank's net income, reported in accordance with financial accounting
9 standards board accounting standards, for calendar year 2015 exceeds \$125,000,000. The
10 funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended
11 funds are available during the biennium beginning July 1, 2017, and ending June 30, 2019. The
12 Bank of North Dakota shall report to the legislative management and to the appropriations
13 committees of the sixty-fifth legislative assembly on the use of the funding provided for the
14 North Dakota financial center, including the amounts spent to date and the amounts anticipated
15 to be continued into the 2017-19 biennium, and on the progress of the project.

16 **SECTION 27. CONTINGENT EFFECTIVE DATE.** Section 16 of this Act is effective only if
17 the Bank of North Dakota's net income, reported in accordance with financial accounting
18 standards board accounting standards, for calendar year 2015 exceeds \$125,000,000.

19 **SECTION 28. EMERGENCY.** The amount of \$13,625,322 from the strategic investment and
20 improvements fund in the capital assets line item in subdivision 1 of section 1 of this Act for the
21 core library expansion project and sections 7 and 13 of this Act are declared to be an
22 emergency measure.