

**Sixty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2023**

HOUSE BILL NO. 1070
(Government and Veterans Affairs Committee)
(At the request of the Adjutant General)

AN ACT to create and enact three new sections to chapter 37-17.1 of the North Dakota Century Code, relating to the establishment and administration of a hazard mitigation revolving loan fund; to amend and reenact subsection 12 of section 54-16-04.1 of the North Dakota Century Code, relating to emergency commission authorizations; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Hazard mitigation revolving loan fund - Purposes - Establishment - Continuing appropriation.

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

Department - Powers and duties - Administration.

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

1. Apply for and accept grants of money from the United States federal emergency management agency or other federal agencies. Grant funds must be deposited in the hazard mitigation revolving loan fund to be used for purposes authorized under the Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat. 4869], including:
 - a. Provide loans or loan guarantees, or other financial assistance, to local governments for projects eligible for assistance from the revolving loan fund.
 - b. If the bond proceeds are deposited in the revolving loan fund, act as a source of revenue and security for the payment of principal and interest on bonds issued by the state.
 - c. Provide other financial and technical assistance and to make any other expenditure authorized under federal law.
 - d. Earn interest before the disbursement of financial or technical assistance.
 - e. Pay administrative expenses associated with the revolving loan fund as authorized under the Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat. 4869].

2. Enter into contracts and other agreements to implement the hazard mitigation revolving loan fund. The department may combine the financial administration of the hazard mitigation revolving loan fund with the financial administration of the drinking water treatment revolving loan fund established under section 61-28.1-11 and the water pollution control revolving loan fund established under chapter 61-28.2.
3. Administer and disburse funds in accordance with the Safeguarding Tomorrow through Ongoing Risk Mitigation Act [Pub. L. 116-284; 134 Stat. 4869].
4. Establish assistance priorities and expend grant funds pursuant to the priority list for the hazard mitigation revolving loan fund.

Hazard mitigation revolving loan fund - Loan authorization.

1. When approved by the emergency commission, the office of the adjutant general is authorized to borrow from the Bank of North Dakota, to match federal funds provided for the implementation of the hazard mitigation revolving loan fund. In addition to the principal repayment, the Bank of North Dakota shall receive interest on the loan at a rate equal to other state agency borrowings. After the state receives approval from the federal emergency management agency to fund projects that utilize the hazard mitigation revolving loan fund, the office of the adjutant general shall submit a request to the emergency commission for:
 - a. Approval to make an application for a loan from the Bank of North Dakota;
 - b. Approval for additional personnel required to perform the anticipated mitigation activities; and
 - c. If required, authority to spend additional state and federal funds for the mitigation program.
2. If the request is acceptable, the emergency commission shall approve the request and issue a notice of its action to the office of the adjutant general, Bank of North Dakota, and the office of management and budget. The office of the adjutant general shall keep the emergency commission apprised of the progress of the hazard mitigation revolving loan fund and report on the implementation of the loan fund on an annual basis. The office of the adjutant general is responsible to repay any loan, including accrued interest, from the Bank of North Dakota which is provided under this section. If at the end of the biennium a balance exists on the loan, the office of the adjutant general shall request the legislative assembly for a deficiency appropriation to repay the loan.

SECTION 2. AMENDMENT. Subsection 12 of section 54-16-04.1 of the North Dakota Century Code is amended and reenacted as follows:

12. Subsections 10 and 11 do not apply to federal highway administration emergency relief funding received by the state or to disaster or emergency recovery funding received by the state pursuant to ~~section 37-17.1-23~~chapter 37-17.1.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1070.

House Vote: Yeas 92 Nays 0 Absent 2

Senate Vote: Yeas 46 Nays 0 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2023.

Approved at _____ M. on _____, 2023.

Governor

Filed in this office this _____ day of _____, 2023,

at _____ o'clock _____ M.

Secretary of State