

21.0274.04000

Sixty-seventh  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED HOUSE BILL NO. 1015**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions  
2 under the supervision of the director of the office of management and budget; to provide an  
3 appropriation to the state treasurer; to provide an appropriation to the department of career and  
4 technical education, the department of public instruction, the university of North Dakota,  
5 Dickinson state university, the highway patrol, the judicial branch, the department of  
6 transportation, the department of commerce, and Mayville state university; to provide a  
7 contingent appropriation to the Bank of North Dakota; to create and enact a new section to  
8 chapter 10-04, a new section to chapter 24-02, and a new subsection to section 54-44-04 of the  
9 North Dakota Century Code, relating to notice filing for certain legacy fund investments,  
10 cooperative transportation agreements, and state employee salary increases; to amend and  
11 reenact subsection 1 of section 10-04-03, section 54-09-05, as amended by section 4 of House  
12 Bill No. 1002, as approved by the sixty-seventh legislative assembly, a new chapter to title 54,  
13 as created by section 3 of House Bill No. 1452, as approved by the sixty-seventh legislative  
14 assembly, subsection 3 of section 54-44-11, sections 54-44.1-18, 54-44.4-07, 54-44.4-08,  
15 57-51.1-07.5, subsections 2 and 3 of section 57-51.1-07.7, and subsection 2 of section  
16 57-51.1-07.8 of the North Dakota Century Code, relating to qualifications of the securities  
17 commissioner, the salary of the secretary of state, the clean sustainable energy authority, the  
18 balance of the state personnel training and development operating fund, publishing political  
19 subdivision budgets, environmentally preferable products, the state share of oil and gas tax  
20 revenue allocations, the municipal infrastructure fund, and the county and township  
21 infrastructure fund; to repeal section 54-06-25 of the North Dakota Century Code, relating to the  
22 state employee compensation commission; to provide for a transfer; to provide for a claims  
23 payment; to provide compensation guidelines; to provide an exemption; to provide a statement  
24 of legislative intent; to provide for a legislative management study; to provide a report; and to  
25 declare an emergency.

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

2 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
3 as may be necessary, are appropriated out of any moneys in the general fund in the state  
4 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
5 other income, to the office of management and budget for the purpose of defraying the  
6 expenses of the office of management and budget, for the biennium beginning July 1, 2021,  
7 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
10 Salaries and wages	\$21,903,816	\$23,163	\$21,926,979
11 Operating expenses	14,937,426	1,375,788	16,313,214
12 Emergency commission contingency fund	500,000	(100,000)	400,000
13 Capital assets	767,125	4,767,494	5,534,619
14 Grants	54,000	(54,000)	0
15 Guardianship grants	1,950,000	500,000	2,450,000
16 Prairie public broadcasting	1,200,000	0	1,200,000
17 Community service supervision grants	350,000	0	350,000
18 State student internship program	<u>0</u>	<u>100,000</u>	<u>100,000</u>
19 Total all funds	\$41,662,367	\$6,612,445	\$48,274,812
20 Less estimated income	<u>8,746,515</u>	<u>5,501,898</u>	<u>14,248,413</u>
21 Total general fund	\$32,915,852	\$1,110,547	\$34,026,399
22 Full-time equivalent positions	112.00	(4.00)	108.00

23 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**  
24 **SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
25 items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the  
26 2021-23 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
28 Extraordinary repairs	\$1,900,000	\$500,000
29 Capitol south entrance project	2,000,000	0
30 Special assessments on capitol grounds	320,000	300,000
31 Litigation funding pool	3,500,000	0

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1	Assessment of state lands and facilities	500,000	0
2	Risk management technology project	170,000	0
3	State student internship program	250,000	100,000
4	Electronic procurement study	50,000	0
5	Facility consolidation study	0	350,000
6	Building automation project	0	518,800
7	Interior and exterior signage projects	0	500,000
8	Procurement software	0	2,021,204
9	Statewide budget software	<u>0</u>	<u>1,230,100</u>
10	Total all funds	\$8,690,000	\$5,520,104
11	Less estimated income	<u>8,390,000</u>	<u>5,420,104</u>
12	Total general fund	\$300,000	\$100,000

13       The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget  
14 for the 2023-25 biennium. The office of management and budget shall report to the  
15 appropriations committees of the sixty-eighth legislative assembly on the use of this one-time  
16 funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

17       **SECTION 3. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any  
18 moneys in the community service supervision fund under section 29-26-22 are appropriated to  
19 the office of management and budget for distribution to community corrections association  
20 regions on or before August first of each year during the period beginning with the effective date  
21 of this Act, and ending June 30, 2023.

22       **SECTION 4. APPROPRIATION - STATE DISASTER RELIEF FUND - TAX RELIEF FUND -**  
23 **STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES.**

24       1.   a.   Due to extraordinary flooding in 2020 in parts of the state and due to the  
25               excessive cost of road maintenance, there is appropriated out of any moneys in  
26               the state disaster relief fund in the state treasury, not otherwise appropriated, the  
27               sum of \$8,200,000, or so much of the sum as may be necessary, and out of any  
28               moneys in the tax relief fund in the state treasury, not otherwise appropriated, the  
29               sum of \$1,800,000, or so much of the sum as may be necessary, to the state  
30               treasurer for the purpose of providing distributions to non-oil-producing counties  
31               for the benefit of the organized and unorganized townships within each

- 1 non-oil-producing county, for the biennium beginning July 1, 2021, and ending  
2 June 30, 2023.
- 3 b. In August 2021, the state treasurer shall distribute \$10,000,000, or so much of  
4 the sum as may be necessary, to non-oil-producing counties for the benefit of the  
5 organized and unorganized townships within each non-oil-producing county. The  
6 distribution to each non-oil-producing county must provide for an equal allocation  
7 to each organized and unorganized township within the county.
- 8 c. The amount allocated to organized townships under this subsection must be paid  
9 by the county treasurer to each organized township. The amount allocated to  
10 unorganized townships under this subsection must be credited by the county  
11 treasurer to a special fund for unorganized township roads.
- 12 d. The distributions under this subsection must be used for the maintenance and  
13 improvement of township paved and unpaved roads and bridges. A township is  
14 not eligible for an allocation of funds under this subsection if the township does  
15 not maintain any township roads.
- 16 e. For the purposes of this section, a "non-oil-producing county" means a county  
17 that has received no allocation of funding or a total allocation of funding under  
18 subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning  
19 September 1, 2019, and ending August 31, 2020.
- 20 2. a. There is appropriated out of any moneys in the tax relief fund in the state  
21 treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the  
22 sum as may be necessary, to the state treasurer for the purpose of providing  
23 distributions to non-oil-producing counties for the benefit of the organized and  
24 unorganized townships within each non-oil-producing county, for the biennium  
25 beginning July 1, 2021, and ending June 30, 2023.
- 26 b. In August 2021, the state treasurer shall distribute \$10,000,000, or so much of  
27 the sum as may be necessary, to non-oil-producing counties for the benefit of the  
28 organized and unorganized townships within each non-oil-producing county. The  
29 distribution to each non-oil-producing county must provide for an allocation to  
30 each organized and unorganized township that is proportional to the number of  
31 township road miles in each organized and unorganized township relative to the

- 1 combined total township road miles in all the organized and unorganized  
2 townships in all the non-oil-producing counties. The township road miles must be  
3 based on certifications provided to the state treasurer using roadway mileage  
4 criteria from the department of transportation.
- 5 c. The amount allocated to organized townships under this subsection must be paid  
6 by the county treasurer to each organized township. The amount allocated to  
7 unorganized townships under this subsection must be credited by the county  
8 treasurer to a special fund for unorganized township roads.
- 9 d. The distributions under this subsection must be used for the maintenance and  
10 improvement of township paved and unpaved roads and bridges.
- 11 e. For the purposes of this subsection, a "non-oil-producing county" means a county  
12 that has received no allocation of funding or a total allocation of funding under  
13 subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning  
14 September 1, 2019, and ending August 31, 2020.

15 **SECTION 5. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF**  
16 **TRANSPORTATION.** There is appropriated out of any moneys derived from federal funds, not  
17 otherwise appropriated, the sum of \$55,000,000, or so much of the sum as may be necessary,  
18 to the department of transportation for the purpose of road and bridge projects, for the biennium  
19 beginning July 1, 2021, and ending June 30, 2023. Of the \$55,000,000, \$35,000,000 is federal  
20 funds that may be matched by funding appropriated in section 10 of House Bill No. 1431, as  
21 approved by the sixty-seventh legislative assembly, for road and bridge projects, and  
22 \$20,000,000 is federal funds that may be matched by funding appropriated in section 4 of this  
23 Act for township road and bridge projects pursuant to cooperative agreements.

24 **SECTION 6. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS**  
25 **FUND - MATCHING FUNDS - ONE-TIME FUNDING.**

- 26 1. There is appropriated from federal funds derived from the federal coronavirus capital  
27 projects fund, not otherwise appropriated, the sum of \$70,000,000, or so much of the  
28 sum as may be necessary, to the department of career and technical education for the  
29 purpose of a statewide area career center initiative grant program for the period  
30 beginning with the effective date of this Act, and ending June 30, 2023. The

- 1 department of career and technical education shall establish the application process  
2 and develop eligibility requirements for the grant program that must include:
- 3 a. Funding may be used only for career and technical education projects involving  
4 construction, addition, maintenance, and equipment for new and existing area  
5 career centers;
  - 6 b. Grants awarded to each recipient must be at least \$500,000, but may not exceed  
7 \$10,000,000;
  - 8 c. Grants may be awarded only to the extent a school district has secured matching  
9 funds from nonstate sources on a dollar-for-dollar basis;
  - 10 d. An applicant identifying sufficient future nonstate sources of funding for ongoing  
11 operating and maintenance costs associated with a new or expanded area career  
12 center;
  - 13 e. The application period for the grant program begins with the effective date of this  
14 Act and ends on June 30, 2022. Any funding not committed by December 31,  
15 2022, may not be spent and must be canceled at the end of the 2021-23  
16 biennium in accordance with section 54-44.1-11;
  - 17 f. Preference must be given to school districts that collaborate with other school  
18 districts for a regional area career center facility or to school districts to create a  
19 new area career center or use an existing area career center to positively affect  
20 that region of the state; and
  - 21 g. Preference must be given to school districts that will promote postsecondary  
22 education and workforce training education in conjunction with secondary  
23 education.
- 24 2. There is appropriated from federal funds derived from the federal coronavirus capital  
25 projects fund, not otherwise appropriated, the sum of \$5,900,000, or so much of the  
26 sum as may be necessary, to the department of public instruction for the purpose of  
27 providing a grant to an entity for the development of a children's science center for the  
28 period beginning with the effective date of this Act, and ending June 30, 2023.
- 29 3. There is appropriated from federal funds derived from the federal coronavirus capital  
30 projects fund, not otherwise appropriated, the sum of \$5,000,000, or so much of the  
31 sum as may be necessary, to the university of North Dakota for the purpose of

1 reconstruction of the university's apron at the Grand Forks airport for the period  
2 beginning with the effective date of this Act, and ending June 30, 2023.

3 4. There is appropriated from federal funds derived from the federal coronavirus capital  
4 projects fund, not otherwise appropriated, the sum of \$4,000,000, or so much of the  
5 sum as may be necessary, to Dickinson state university for the purpose of a Pulver  
6 hall project, a meat processing laboratory remodel, and other projects for the period  
7 beginning with the effective date of this Act, and ending June 30, 2023.

8 5. There is appropriated from federal funds derived from the federal coronavirus capital  
9 projects fund, not otherwise appropriated, the sum of \$3,000,000, or so much of the  
10 sum as may be necessary, to the highway patrol for the purpose of a law enforcement  
11 training center remodel project for the period beginning with the effective date of this  
12 Act, and ending June 30, 2023.

13 6. There is appropriated from federal funds derived from the federal coronavirus capital  
14 projects fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum  
15 as may be necessary, to the office of management and budget for the purpose of  
16 providing a grant for the construction of a new medical center located in the county  
17 seat of Griggs County for the period beginning with the effective date of this Act, and  
18 ending June 30, 2023.

19 7. There is appropriated from federal funds derived from the federal coronavirus capital  
20 projects fund, not otherwise appropriated, the sum of \$157,600, or so much of the sum  
21 as may be necessary, to the judicial branch for the purpose of purchasing information  
22 technology equipment for the period beginning with the effective date of this Act, and  
23 ending June 30, 2023.

24 8. If the federal government distributes funding derived from the federal coronavirus  
25 capital projects fund to the state in more than one funding round, the office of  
26 management and budget shall prioritize the amounts received in the first funding  
27 round as follows:

- 28 a. \$19,763,000 to the department of career and technical education;  
29 b. \$11,716,400 to the parks and recreation department;  
30 c. \$5,900,000 to the department of public instruction;  
31 d. \$5,000,000 to the university of North Dakota;

- 1 e. \$4,200,000 to the state historical society;
- 2 f. \$4,000,000 to Dickinson state university;
- 3 g. \$3,000,000 to the highway patrol;
- 4 h. \$2,000,000 to the agriculture commissioner;
- 5 i. \$500,000 to the office of management and budget; and
- 6 j. \$157,600 to the judicial branch.

7 9. The funding provided under this section may be spent only to the extent the director of  
8 the office of management and budget, in consultation with the budget section,  
9 determines the use of the funding complies with federal guidance for the federal  
10 coronavirus capital projects fund. The funding provided under this section is  
11 considered a one-time funding item.

12 **SECTION 7. LEGISLATIVE INTENT - AREA CAREER CENTERS - FUTURE COSTS.** It is  
13 the intent of the sixty-seventh legislative assembly that school districts:

- 14 1. Prepare to provide for any future operating and maintenance costs relating to new or  
15 expanded area career centers resulting from the expenditure of federal coronavirus  
16 capital projects funds because state funds will not be provided to replace these federal  
17 funds; and
- 18 2. Prepare to provide increased local support for area career centers since state grant  
19 funding is limited and may not be available to support any increased future costs  
20 related to new or expanded area career centers completed with these federal funds.

21 **SECTION 8. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - ONE-TIME**  
22 **FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury,  
23 not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be  
24 necessary, to the university of North Dakota for the purpose of a space command initiative and  
25 related technical programs, including equipment, renovation costs, a sensitive compartmental  
26 information facility, and other expenses for the biennium beginning July 1, 2021, and ending  
27 June 30, 2023. The funding provided under this section is considered a one-time funding item.

28 **SECTION 9. APPROPRIATION - MAYVILLE STATE UNIVERSITY - ONE-TIME FUNDING.**  
29 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
30 appropriated, the sum of \$1,600,000, or so much of the sum as may be necessary, to Mayville  
31 state university for a natural gas boiler project, for the period beginning with the effective date of



1 this Act, and ending June 30, 2023. The funding provided under this section is considered a  
2 one-time funding item.

3 **SECTION 10. APPROPRIATION - DEPARTMENT OF COMMERCE - DISCRETIONARY**  
4 **FUNDS - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in  
5 the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as  
6 may be necessary, to the department of commerce for the purpose of providing discretionary  
7 funds, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is  
8 considered a one-time funding item.

9 **SECTION 11. APPROPRIATION - JUDICIAL BRANCH - VETERANS' COURT.** There is  
10 appropriated out of any moneys in the general fund in the state treasury, not otherwise  
11 appropriated, the sum of \$145,247, or so much of the sum as may be necessary, to the judicial  
12 branch for the purpose of establishing a veterans' treatment court in the northeast central  
13 judicial district, for the biennium beginning July 1, 2021, and ending June 30, 2023.

14 **SECTION 12. APPROPRIATION - JUDICIAL BRANCH - YOUTH CULTURAL**  
15 **ACHIEVEMENT PROGRAMS.** There is appropriated out of any moneys in the general fund in  
16 the state treasury, not otherwise appropriated, the sum of \$90,000, or so much of the sum as  
17 may be necessary, to the judicial branch for youth cultural achievement programs, for the  
18 biennium beginning July 1, 2021, and ending June 30, 2023.

19 **SECTION 13. 2019-21 BIENNIUM APPROPRIATION - TRANSFER - GENERAL FUND TO**  
20 **HIGHWAY FUND - 2021-23 BIENNIUM APPROPRIATION - HIGHWAY FUND AND FEDERAL**  
21 **FUNDS - REPORT.**

22 1. There is appropriated out of any moneys in the general fund in the state treasury, not  
23 otherwise appropriated, the sum of \$100,000,000, which the office of management  
24 and budget shall transfer to the highway fund during the period beginning with the  
25 effective date of this Act, and ending June 30, 2021. The funds transferred to the  
26 highway fund must be maintained and reported separately from other funds in the  
27 highway fund.

28 2. There is appropriated out of any moneys in the highway fund, not otherwise  
29 appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary,  
30 to the department of transportation for the purpose of matching federal discretionary  
31 funds received in excess of the regular federal funding amounts included in the

1 department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and  
2 ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000  
3 for matching federal funds for township road and bridge projects.

4 3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the  
5 sum as may be necessary, to the department of transportation for the purpose of  
6 defraying the expenses of road and bridge construction projects for the biennium  
7 beginning July 1, 2021, and ending June 30, 2023.

8 4. On June 30, 2023, the office of management and budget shall transfer any  
9 unexpended and unobligated funds transferred to the highway fund under  
10 subsection 1 to the general fund.

11 5. During the 2021-22 interim, the department of transportation shall provide quarterly  
12 reports to the budget section regarding the use of funds transferred from the general  
13 fund to the highway fund.

14 **SECTION 14. LEGACY FUND EARNINGS ESTIMATE - 2019-21 BIENNIUM.** For  
15 legislative council budget status reporting purposes, the sixty-seventh legislative assembly  
16 estimates \$736,000,000 of earnings will be transferred from the legacy fund to the general fund  
17 at the end of the biennium beginning July 1, 2019, and ending June 30, 2021.

18 **SECTION 15. CONTINGENT APPROPRIATION - THEODORE ROOSEVELT**  
19 **PRESIDENTIAL LIBRARY - LOAN REPAYMENT - ONE-TIME FUNDING.** Subject to the  
20 provisions of this section, there is appropriated out of any moneys in the general fund in the  
21 state treasury, not otherwise appropriated, the sum of \$17,500,000, or so much of the sum as  
22 may be necessary, to the Bank of North Dakota for the purpose of repaying the loan authorized  
23 in section 8 of chapter 26 of the 2019 Session Laws related to the Theodore Roosevelt  
24 presidential library, for the biennium beginning July 1, 2021, and ending June 30, 2023. The  
25 funding provided in this section is available only if the actual July 1, 2021, general fund balance  
26 exceeds the legislative estimate made at the close of the 2021 legislative session by at least  
27 \$17,500,000, as determined by the office of management and budget. This funding is  
28 considered a one-time funding item.

29 **SECTION 16. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**  
30 **GENERAL FUND.** The office of management and budget shall transfer the sum of

1 \$410,000,000 from the strategic investment and improvements fund to the general fund during  
2 the biennium beginning July 1, 2021, and ending June 30, 2023.

3 **SECTION 17. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**  
4 **CULTURAL ENDOWMENT FUND - INTENT.** The office of management and budget shall  
5 transfer the sum of \$1,000,000 from the strategic investment and improvements fund to the  
6 cultural endowment fund during the biennium beginning July 1, 2021, and ending June 30,  
7 2023. It is the intent of the sixty-seventh legislative assembly that the council on the arts expend  
8 up to \$50,000 annually from the cultural endowment fund pursuant to the appropriation authority  
9 provided in section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance  
10 of the public arts projects constructed as part of the North Dakota creative placemaking  
11 program. It is further the intent of the legislative assembly that the council on the arts continue  
12 to expend \$50,000 annually from the cultural endowment fund for the maintenance of the public  
13 arts projects constructed as part of the North Dakota creative placemaking program until the  
14 moneys derived from the strategic investment and improvements fund transfer authorized under  
15 this section and deposited in the fund have been fully expended.

16 **SECTION 18. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**  
17 The office of management and budget shall transfer the sum of \$187,223,092 from the tax relief  
18 fund to the human service finance fund during the biennium beginning July 1, 2021, and ending  
19 June 30, 2023.

20 **SECTION 19. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**  
21 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state  
22 student internship program line item appropriated in section 1 of this Act to eligible state  
23 agencies for state student internships during the biennium beginning July 1, 2021, and ending  
24 June 30, 2023.

25 **SECTION 20. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING**  
26 **FUND.** The estimated income line item in section 1 of this Act includes \$2,168,800 of one-time  
27 funding from the capitol building fund. Of the \$2,168,800, \$350,000 in the operating expenses  
28 line item is for a facility consolidation study, \$300,000 in the operating expenses line item is for  
29 special assessments associated with the capitol grounds, \$500,000 in the capital assets line  
30 item is for extraordinary repairs, \$518,800 in the capital assets line item is for a building

1 automation project, and \$500,000 in the capital assets line item is for interior and exterior  
2 signage.

3 **SECTION 21. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT**

4 **AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes  
5 \$3,251,304 from the strategic investment and improvements fund. Of the \$3,251,304,  
6 \$2,021,204 in the capital assets line item is for procurement software, and \$1,230,100 in the  
7 capital assets line item is for budget software.

8 **SECTION 22. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation  
9 authority which may be used only for the following grants and special items:

10 Unemployment insurance	\$2,000,000
11 Capitol grounds planning commission	\$25,000
12 Statewide memberships and related expenses	\$642,089

13 **SECTION 23. RISK MANAGEMENT FUND - CLAIMS PAYMENT.** Pursuant to the  
14 continuing appropriation authority under section 32-12.2-07, the director of the office of  
15 management and budget may make payments from the risk management fund during the  
16 biennium beginning July 1, 2021, and ending June 30, 2023, for reasonable and necessary  
17 costs and attorney's fees incurred by a state employee as a result of a criminal investigation or  
18 prosecution occurring after December 31, 2018, under circumstances in which there was an  
19 absence of probable cause, as identified in a prosecutorial or judicial determination or as  
20 determined by the director of the office of management and budget in the absence of a  
21 prosecutorial or judicial determination, and in which the offense involves the discharge of a  
22 public duty. The director of the office of management and budget shall consult with the attorney  
23 general when reviewing claims under this section and shall obtain written approval from the  
24 attorney general for any claim exceeding ten thousand dollars.

25 **SECTION 24. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

26 1. The 2021-23 biennium compensation adjustments for permanent state employees are  
27 to average 1.5 percent with a minimum of \$100 per month per eligible employee for  
28 the first fiscal year of the biennium and are to average 2 percent per eligible employee  
29 for the second year of the biennium. The increases for the first year of the biennium  
30 are to be given beginning with the month of July 2021, to be paid in August 2021, and  
31 for the second year of the biennium are to be given beginning with the month of July

1           2022, to be paid in August 2022. Except for minimum amounts, increases for eligible  
2           state employees are to be based on documented performance and are not to be the  
3           same percentage increase for each employee.

4           2. The office of management and budget shall develop guidelines for use by state  
5           agencies for providing compensation adjustments for classified state employees. The  
6           guidelines must follow the compensation philosophy statement under section  
7           54-44.3-01.2.

8           3. Probationary employees are not entitled to the increases. However, at the discretion of  
9           the appointing authority, probationary employees may be given all or a portion of the  
10          increases effective in July, paid in August, or upon completion of probation. Employees  
11          whose overall documented performance level does not meet standards are not eligible  
12          for any salary increase.

13          **SECTION 25. AMENDMENT.** Subsection 1 of section 10-04-03 of the North Dakota  
14          Century Code is amended and reenacted as follows:

15          1. The state securities department is under the supervision of a chief officer designated  
16          as the securities commissioner. The securities commissioner must be appointed by  
17          the governor and confirmed by the senate and shall hold office for a term of four years,  
18          beginning on the first day of July following a national presidential election and  
19          continuing until a successor has been appointed, confirmed by the senate, and has  
20          qualified, unless removed as herein provided. If the senate is not in session, the  
21          governor may make an interim appointment, and the interim appointee ~~shall~~may hold  
22          office until the senate confirms or rejects the appointment. ~~The commissioner must be~~  
23          ~~skilled in securities and may not be an incumbent of any other public office in the~~  
24          ~~state.~~ The commissioner may not own or control any security required to be registered  
25          under this chapter, or any security which is exempt based on the approval of the  
26          securities department. The commissioner may not be an officer, director, or employee  
27          of any broker-dealer, agent, investment adviser, or investment adviser representative  
28          required to be registered under this chapter, or of a federal covered adviser required to  
29          be notice-filed under this chapter. The governor may remove from office any  
30          commissioner who fails to discharge faithfully the duties of office or who becomes  
31          disqualified under the provisions of this section.

1           It is the prime duty of the commissioner to administer the provisions of this  
2           chapter. The commissioner shall receive a salary within the amount appropriated for  
3           salaries by the legislative assembly. The commissioner shall use a seal with the words  
4           "securities commissioner, North Dakota" and such design as the commissioner may  
5           prescribe engraved thereon by which seal the commissioner may authenticate  
6           documents used in the administration of this chapter. The commissioner may employ  
7           such employees as are necessary for the administration of this chapter. In the  
8           absence or disability of the commissioner, the deputy or designee of the commissioner  
9           ~~shall~~may administer the provisions of this chapter as acting commissioner.

10        **SECTION 26.** A new section to chapter 10-04 of the North Dakota Century Code is created  
11   and enacted as follows:

12        **Legacy fund investments - Notice filing.**

- 13        1. Within thirty days of completion of the transaction, any issuer of securities in receipt of  
14        an investment from the legacy fund under paragraph 3 of subdivision a of subsection 3  
15        of section 21-10-11 or under subdivision b of subsection 3 of section 21-10-11, as  
16        created by section 4 of House Bill No. 1425 as approved by the sixty-seventh  
17        legislative assembly, shall file electronically a notice on a form prescribed by the  
18        commissioner and containing information as required by the commissioner.  
19        2. The notice filing requirement under this section does not exempt the issuer from or  
20        supersede any other provision of this chapter.

21        **SECTION 27.** A new section to chapter 24-02 of the North Dakota Century Code is created  
22   and enacted as follows:

23        **Cooperative agreements - Federal transportation-related aid and safety and mobility.**

24        The director may enter into cooperative agreements with any transferee under section  
25        54-27-19 or any federal agency operating a national park and may expend highway fund  
26        moneys pursuant to legislative appropriations to match federal funds for the purposes of  
27        providing assistance with the assessment, design, and construction of projects to improve the  
28        safety and mobility of people or goods in the state.

29        **SECTION 28. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code, as  
30   amended by section 4 of House Bill No. 1002, as approved by the sixty-seventh legislative  
31   assembly, is amended and reenacted as follows:

1           **54-09-05. Salary of secretary of state.**

2           The annual salary of the secretary of state is one hundred twelve thousand two hundred  
3           forty-one dollars through June 30, ~~2021~~2022, and one hundred fourteen thousand four hundred  
4           eighty-six dollars thereafter.

5           **SECTION 29. AMENDMENT.** A new chapter to title 54 of the North Dakota Century Code,  
6           as created by section 3 of House Bill No. 1452 as approved by the sixty-seventh legislative  
7           assembly, is amended and reenacted as follows:

8           **Definitions.**

9           As used in this chapter:

- 10          1. "Authority" means the clean sustainable energy authority.
- 11          2. "Clean" means a technology or concept that reduces emissions to the air, water, or  
12          land and meets or exceeds state and federal environmental regulations.
- 13          3. "Commission" means the industrial commission.
- 14          4. "Fund" means the clean sustainable energy fund.
- 15          5. "Program" means the clean sustainable energy program.
- 16          6. "Sustainable" means a technology or concept that allows the use of a natural resource  
17          to be maintained or enhanced through increased efficiency and life cycle benefits  
18          while either increasing or not adversely impacting energy security, affordability,  
19          reliability, resilience, or national security.

20          **Clean sustainable energy authority - Purpose.**

21          There is created the clean sustainable energy authority to support research, development,  
22          and technological advancements through partnerships and financial support for the large scale  
23          development and commercialization of projects, processes, activities, and technologies that  
24          reduce environmental impacts and increase sustainability of energy production and delivery.  
25          The purpose of the financial support is to enhance the production of clean sustainable energy,  
26          to make the state a world leader in the production of clean sustainable energy, and to diversify  
27          and grow the state's economy.

28          **Clean sustainable energy authority - Membership - Meetings.**

- 29          1. The clean sustainable energy authority consists of sixteen members, including eight  
30          voting members and eight nonvoting technical advisors.
- 31          2. The eight voting members consist of:

- 1 a. One member appointed by the legislative management to serve as chairman;
- 2 b. Two members appointed by the lignite research council;
- 3 c. Two members appointed by the oil and gas research council;
- 4 d. Two members appointed by the renewable energy council; and
- 5 e. One member appointed by the western Dakota energy association.
- 6 3. The eight nonvoting technical advisors consist of:
  - 7 a. One member appointed by the North Dakota outdoor heritage fund advisory
  - 8 board;
  - 9 b. The commissioner of commerce or the commissioner's designee;
  - 10 c. The director of the department of environmental quality or the director's designee;
  - 11 d. The director of mineral resources or the director's designee;
  - 12 e. The director of the North Dakota pipeline authority or the director's designee;
  - 13 f. The director of the North Dakota transmission authority or the director's designee;
  - 14 g. The director of the state energy research center or the director's designee; and
  - 15 h. The president of the Bank of North Dakota or the president's designee;.
- 16 4. The term of office for the chairman is two years. The term of office for the other voting
- 17 members is four years, and the other voting members may not serve more than two
- 18 consecutive terms. The terms of office for the voting members commence on July first.
- 19 The initial terms for the voting members of the authority must be staggered following a
- 20 method determined by the authority.
- 21 5. The authority shall meet at least semiannually. The chairman shall call a meeting upon
- 22 written request from three voting members of the authority. Five voting members is a
- 23 quorum at any meeting.
- 24 6. The authority may not forward a recommendation to the commission unless the
- 25 recommendation fulfills the purposes of this chapter and is approved by a majority of
- 26 the voting members of the authority.

**Clean sustainable energy authority - Duties - Report.**

- 28 1. The authority shall make recommendations to the commission for program guidelines,
- 29 including eligibility criteria for entities to receive funding under this chapter.
- 30 2. The nonvoting technical advisors shall develop a process to review and evaluate
- 31 projects to determine the technical merits and feasibility of any application, including



1 potential benefits of the development of low-emission technology, the expansion of the  
2 development of the state's natural resources or energy production, and the  
3 contribution to the economic diversity in the state.

4 3. The authority may develop a loan program or a loan guarantee program under the  
5 clean sustainable energy fund. The Bank of North Dakota shall administer the loan  
6 program or loan guarantee program. The interest rate of a loan under this program  
7 may not exceed two percent per year. The maximum term of a loan under this section  
8 must be approved by the commission based on a recommendation from the authority.  
9 The Bank shall review applications for loans or loan guarantees and shall consider the  
10 business plan, financial statements, and other information necessary to evaluate the  
11 application. To be eligible for a loan or loan guarantee, an entity shall agree to provide  
12 the Bank of North Dakota with information as requested. The Bank of North Dakota  
13 may develop policies for loan participation with local financial institutions.

14 4. The authority shall make recommendations to the commission for grant awards, loan  
15 approvals, or other financial assistance to provide funding to support research,  
16 development, and technological advancements for the large scale development and  
17 commercialization of projects, processes, activities, and technologies that reduce  
18 environmental impacts and increase sustainability of energy production and delivery in  
19 accordance with this chapter. Any projects, processes, activities, and technologies  
20 selected by the commission for funding must have been recommended by the  
21 authority, must demonstrate feasibility based on a technical review conducted by the  
22 nonvoting technical advisors of the authority, must have other sources of financial  
23 support, and must achieve the priorities and purposes of the program. At the request  
24 of the authority, the Bank of North Dakota shall provide a recommendation regarding  
25 the economic feasibility of a project, process, activity, or technology under  
26 consideration by the authority. The Bank shall review the business plan, financial  
27 statements, and other information necessary to provide a recommendation.

28 5. The authority may consult with any other state agency necessary to carry out the  
29 purposes under this chapter.

1           6. Each biennium, the authority shall provide a written report to the legislative  
2           management regarding its activities and the program's financial impact on state  
3           revenues and the state's economy.

4           **Clean sustainable energy program - Powers and duties of the commission.**

- 5           1. The commission is granted all the powers necessary to carry out the purposes of this  
6           chapter, including the power to:
- 7           a. Provide grants, loans, or other forms of financial assistance to qualified entities  
8           for the research, demonstration, development, and commercialization of projects,  
9           processes, activities, and technologies that reduce environmental impacts and  
10          use energy sources derived from within the state. Other forms of financial  
11          assistance include venture capital investments and interest rate buydowns. The  
12          commission must require an entity to provide assurance of financial and other  
13          types of support that demonstrate a commitment to the project, process, activity,  
14          or technology. The commission may develop policies for the approval of loans or  
15          loan guarantees issued from the clean sustainable energy fund.
  - 16          b. Enter into contracts or agreements to carry out the purposes of this chapter,  
17          including contracting for the administration of the program.
  - 18          c. Keep accurate records of all financial transactions performed under this chapter.
  - 19          d. Cooperate with any private, local, state, or national organization to make  
20          contracts and agreements for programs that advance the mission of the program.
  - 21          e. Accept loan repayments, donations, grants, contributions, or gifts from any public  
22          or private source to carry out the purposes of this chapter, which must be  
23          deposited in the clean sustainable energy fund.
  - 24          f. Make guidelines necessary to carry out the purposes of this chapter, including  
25          guidelines relating to the ownership of intellectual property.
  - 26          g. Borrow from the Bank of North Dakota, as authorized by the legislative assembly,  
27          to make loans or loan guarantees under a loan program or loan guarantee  
28          program developed by the clean sustainable energy authority.
- 29          2. The commission may acquire, purchase, hold, use, lease, license, sell, transfer, or  
30          dispose of any interest in an asset necessary for clean sustainable energy technology

- 1 development to facilitate the production, transportation, distribution, or delivery of  
2 clean energy commodities produced in the state as a purchases of last resort.
- 3 3. The commission shall provide administrative support to the authority for the operation  
4 of the program, including the preparation of forms, review of applications, and ongoing  
5 review of any contracts. The commission may contract with a public or private entity to  
6 provide technical assistance necessary to implement the purposes of this chapter.
- 7 4. The commission is not subject to the reporting requirements under chapter 54-60.1.

8 **Clean sustainable energy program - Access to records.**

- 9 1. To the extent the commission or authority determines the materials or data consist of  
10 trade secrets or commercial, financial, or proprietary information of individuals or  
11 entities applying to or contracting with the commission or receiving commission  
12 services under this chapter, materials and data submitted to, made by, or received by  
13 the commission or authority, are not public records subject to section 44-04-18 and  
14 section 6 of article XI of the Constitution of North Dakota, and are subject to section  
15 44-04-18.4.
- 16 2. A person or entity may file a request with the commission to have material designated  
17 as confidential under subsection 1. The request must contain any information required  
18 by the commission and must include at least the following:
- 19 a. A general description of the nature of the information sought to be protected.  
20 b. An explanation of why the information derives independent economic value,  
21 actual or potential, from not being generally known to other persons.  
22 c. An explanation of why the information is not readily ascertainable by proper  
23 means of other persons.  
24 d. A general description of any person that may obtain economic value from  
25 disclosure or use of the information, and how the person may obtain this value.  
26 e. A description of the efforts used to maintain the secrecy of the information.
- 27 3. Any request under subsection 2 is confidential. The commission shall examine the  
28 request and determine whether the information is relevant to the matter at hand and is  
29 a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the  
30 commission determines the information is either not relevant or not a trade secret, the  
31 commission shall notify the requester and the requester may ask for the return of the

1 information and the request within ten days of the notice. If no return is sought, the  
2 information and request are public record.

3 4. The names or identities of independent technical reviewers on a project or program  
4 are confidential, may not be disclosed by the commission, and are not public records  
5 subject to section 44-04-18 or section 6 of article XI of the Constitution of North  
6 Dakota.

7 **Clean sustainable energy fund - Continuing appropriation - Line of credit - Loans -**  
8 **Repayments.**

- 9 1. There is created in the state treasury the clean sustainable energy fund. The fund  
10 consists of all moneys transferred to the fund by the legislative assembly; loan  
11 proceeds; interest upon moneys in the fund; principal and interest payments to the  
12 fund; and donations, grants, and other contributions received by the commission for  
13 deposit in the fund. All moneys in the fund are appropriated to the commission on a  
14 continuing basis to provide grants, loans, and other financial assistance and for  
15 administrative and operating costs of the authority and program pursuant to the  
16 provisions under this chapter.
- 17 2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees.  
18 The Bank of North Dakota shall deposit in the fund all principal and interest paid on  
19 the loans made from the fund. The Bank may use a portion of the interest paid on the  
20 outstanding loans as a servicing fee to pay for administrative costs, not to exceed  
21 one-half of one percent of the amount of the interest payment. The Bank shall contract  
22 with a certified public accounting firm to audit the fund annually if the fund has any  
23 outstanding loans. The cost of the audit must be paid from the fund.
- 24 3. The Bank of North Dakota shall extend a line of credit to the industrial commission to  
25 support loans or loan guarantees issued from the clean sustainable energy fund. The  
26 line of credit may not exceed two hundred fifty million dollars, and the interest rate  
27 associated with the line of credit must be the prevailing interest rate charged to North  
28 Dakota governmental entities. The industrial commission shall repay the line of credit  
29 from moneys available in the clean sustainable energy fund derived from payments  
30 received on loans issued under this chapter or other sources. If the moneys available  
31 from the clean sustainable energy fund on June 30, 2025, are not sufficient to repay

1           the line of credit, the industrial commission shall request from the legislative assembly  
2           a deficiency appropriation to repay the line of credit or the industrial commission may  
3           repay the line of credit from other funds, as appropriated by the legislative assembly.  
4           4. The industrial commission may access the line of credit to the extent needed through  
5           June 30, 2025, to provide funding as authorized by the legislative assembly to support  
6           loans or loan guarantees issued from the clean sustainable energy fund. Any moneys  
7           borrowed from the Bank of North Dakota pursuant to this section must be transferred  
8           to the clean sustainable energy fund to support loans or loan guarantees.

9           **SECTION 30.** A new subsection to section 54-44-04 of the North Dakota Century Code is  
10 created and enacted as follows:

11           Shall prepare and submit a quarterly report to the legislative management of each  
12           executive branch agency that gives any full-time state employee salary increases  
13           between April 1, 2021, and June 30, 2023, which cumulatively are fifteen percent or  
14           more over the employee's base salary as of March 31, 2021. The report must include  
15           the name of each employee receiving the increase and any relevant salary  
16           information.

17           **SECTION 31. AMENDMENT.** Subsection 3 of section 54-44-11 of the North Dakota Century  
18 Code is amended and reenacted as follows:

19           3. The office of management and budget shall establish a state personnel training and  
20 development operating fund to be used for the coordination of employee training and  
21 career development data, supplies, equipment, and services and for providing or  
22 arranging necessary training and development programs to state departments and  
23 agencies. Funds in the state personnel training and development operating fund are  
24 appropriated on a continuing basis to the office of management and budget and may  
25 be spent for the purposes identified in this subsection. Any surplus in this fund in  
26 excess of ~~twenty-five~~one hundred thousand dollars on June thirtieth of each year must  
27 be transferred to the state general fund.

28           **SECTION 32. AMENDMENT.** Section 54-44.1-18 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1       **54-44.1-18. Searchable database of expenditures.**

2       1. The director of the budget shall develop and make publicly available an aggregate and  
3       searchable budget database website that includes the following information for the  
4       biennium:

- 5       a. Each budget unit making expenditures.
- 6       b. The amount of funds expended.
- 7       c. The source of the funds expended.
- 8       d. The budget program of the expenditure.
- 9       e. Any other information determined relevant by the director of the budget.

10      2. The director of the budget shall include the name and city of the recipient of each  
11      expenditure in the budget database website after the director has completed  
12      implementation of a business intelligence component to the state's financial reporting  
13      system.

14      3. The director of the budget may not include in the database any information that is  
15      confidential or exempt under state or federal law.

16      4. The director of the budget may update the budget database website as new data  
17      becomes available. Each state agency shall provide to the director of the budget any  
18      data required to be included in the budget database website no later than thirty days  
19      after the data becomes available to the agency.

20      5. By January first of each even-numbered year, the director of the budget shall add data  
21      for the previous biennium to the budget database website. The director of the budget  
22      shall ensure that all data added to the budget database website remains accessible to  
23      the public for a minimum of ten years.

24      6. The budget database website may not redirect users to any other government  
25      website, unless the website has information from all budget units and each category of  
26      information required can be searched electronically by field in a single search.

27      ~~7. The governing body of each political subdivision may submit the annual budget~~  
28      ~~adopted by the governing body to the director of the budget. The director of the budget~~  
29      ~~shall include on the office of management and budget website any information~~  
30      ~~submitted by a participating governing body of a political subdivision. The official who~~  
31      ~~submits the annual budget to the director of the budget may not submit any~~

1 information that is confidential under state or federal law. In lieu of submitting the  
2 annual budget adopted by the governing body to the director, any participating  
3 governing body may provide to the director a publicly accessible internet link on which  
4 the annual budget adopted by the participating governing body is available.

5 **SECTION 33. AMENDMENT.** Section 54-44.4-07 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-44.4-07. Procurement of environmentally preferable products.**

8 1. The office of management and budget, the institutions of higher education, and any  
9 other state agency or institution that has authority to purchase products are  
10 encouraged to purchase environmentally preferable products.

11 a. ~~Where~~When practicable, specifications for purchasing newsprint printing services  
12 should specify the use of soybean-based ink. The North Dakota soybean council  
13 and the agriculture commissioner shall assist the office of management and  
14 budget in locating suppliers of soybean-based inks and in collecting data on the  
15 purchase of soybean-based inks.

16 b. ~~In requesting bids for paper products, the office of management and budget must~~  
17 ~~request information on the recycled content of such products.~~

18 e. ~~Where~~When practicable, biobased products should be specified.

19 2. The office of management and budget, in coordination with the state board of higher  
20 education, shall develop guidelines for a biobased procurement program.

21 **SECTION 34. AMENDMENT.** Section 54-44.4-08 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **54-44.4-08. Purchase of recycled paper products.**

24 ~~The~~When practicable, the office of management and budget, and any state agency or  
25 institution that has authority to purchase products, shall ensure that at least twenty percent of  
26 the total volume of paper and paper products being purchased for state agencies and  
27 institutions contain, should specify at least twenty-five percent recycled material. ~~The office of~~  
28 management and budget shall implement a methodology to track compliance with this section.

29 **SECTION 35. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

- 5           1. The first two hundred million dollars into the state general fund;
- 6           2. The next two hundred million dollars into the tax relief fund;
- 7           3. The next seventy-five million dollars into the budget stabilization fund, but not in an  
8 amount that would bring the balance in the fund to more than the limit in section  
9 54-27.2-01;
- 10          4. The next two hundred million dollars into the state general fund;
- 11          5. The next ten million dollars into the lignite research fund;
- 12          6. The next ~~fifteen~~twenty million dollars into the state disaster relief fund, but not in an  
13 amount that would bring the unobligated balance in the fund to more than ~~fifteen~~twenty  
14 million dollars;
- 15          7. ~~The next thirty million three hundred seventy five thousand dollars, or the amount~~  
16 ~~necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7,~~  
17 ~~into the municipal infrastructure fund;~~
- 18          8. The next four hundred million dollars into the strategic investment and improvements  
19 fund;
- 20          9. ~~An amount equal to the deposit under subsection 7 into the county and township~~  
21 ~~infrastructure fund;~~
- 22          8. The next fifty-nine million seven hundred fifty thousand dollars, or the amount  
23 necessary to provide for twice the amount of the distributions under subsection 2 of  
24 section 57-51.1-07.7, into the funds designated for infrastructure development in  
25 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty  
26 percent deposited into the municipal infrastructure fund and fifty percent deposited into  
27 the county and township infrastructure fund;
- 28          10.9. The next one hundred ~~sixty-nine~~seventy million two hundred fifty thousand dollars or  
29 the amount necessary to provide a total of two hundred thirty million dollars into the  
30 funds designated for infrastructure development in non-oil-producing counties under  
31 sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal



1 infrastructure fund and fifty percent deposited into the county and township  
2 infrastructure fund;

3 ~~44:10.~~ The next twenty million dollars into the airport infrastructure fund; and

4 ~~42:11.~~ Any additional revenues into the strategic investment and improvements fund.

5 **SECTION 36. AMENDMENT.** Subsection 2 of section 57-51.1-07.7 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 2. Within forty days after the fund balance is greater than or equal to the amount needed  
8 for the grants under this subsection or by September thirtieth of each odd-numbered  
9 year, whichever is earlier, the state treasurer shall distribute moneys in the fund as  
10 grants to cities for essential infrastructure projects. The state treasurer shall distribute  
11 the grants only if the fund balance is at least ten percent of the amount needed for  
12 distributions under this subsection based on the following:

13 a. Two million five hundred thousand dollars to each city with a population of at  
14 least five thousand;

15 b. Five hundred thousand dollars to each city with a population of at least two  
16 thousand but less than five thousand; and

17 c. One hundred twenty-five thousand dollars to each city with a population of at  
18 least one thousand but less than two thousand.

19 d. If, at the time of the distributions, the moneys in the fund are less than the  
20 amount needed for the grants under this subsection, the state treasurer shall  
21 distribute the grants under this subsection on a pro rata basis.

22 e. For the purposes of determining the city's population under this subsection, the  
23 state treasurer shall use the most recent actual or estimated census data  
24 published by the United States census bureau.

25 **SECTION 37. AMENDMENT.** Subsection 3 of section 57-51.1-07.7 of the North Dakota  
26 Century Code is amended and reenacted as follows:

27 3. Within sixty days after the fund receives its statutory limit of oil and gas tax allocations  
28 under section 57-51.1-07.5 or by September thirtieth of each odd-numbered year,  
29 whichever is earlier, the state treasurer shall distribute the moneys in the fund as  
30 grants to cities for essential infrastructure projects. The state treasurer shall distribute

- 1           the grants only if the fund balance is at least ten percent of the amount needed for  
2           distributions under this subsection based on the following:
- 3           a. One hundred fifty dollars per person of the city's population.
- 4           b. In addition to the amounts in subdivision a, for a city with a positive average of  
5           the annual percentage increase in population from three years prior, a dollar  
6           amount equal to the product of the following:
- 7           (1) The amount calculated in subdivision a; and
- 8           (2) The average of the annual percentage increase in population from three  
9           years prior, multiplied by ten.
- 10          c. In addition to the amounts in subdivisions a and b, for a city with a positive  
11          average of the annual percentage increase in taxable property values from three  
12          years prior, a dollar amount equal to the average of the annual property valuation  
13          percentage increase for the three most recent years, multiplied by twenty-five  
14          thousandths.
- 15          d. Grants may be distributed under this subdivision only if the grant distributions  
16          under subsection 2 are completed. If the moneys in the fund are insufficient to  
17          provide for the grants, the state treasurer shall distribute the grants under this  
18          subsection on a pro rata basis. If any moneys remain in the fund after the  
19          distribution of grants under this subsection, the state treasurer shall distribute any  
20          remaining moneys in the fund in proportion to the combined total distributed to  
21          each city under this section relative to the combined total distributed to all the  
22          cities under this section.
- 23          e. For the purposes of determining the city's population under this subsection, the  
24          state treasurer shall use the most recent actual or estimated census data  
25          published by the United States census bureau.
- 26          f. For the purposes of determining taxable property values, the state treasurer shall  
27          use the most recent data published by the tax commissioner in the tax levy  
28          report.

29           **SECTION 38. AMENDMENT.** Subsection 2 of section 57-51.1-07.8 of the North Dakota  
30   Century Code is amended and reenacted as follows:

- 1           2.    Within sixty days after the fund receives its statutory limit of oil and gas tax allocations  
2                    under section 57-51.1-07.5 or by September thirtieth of each odd-numbered year,  
3                    whichever is earlier, the state treasurer shall distribute moneys in the fund as grants to  
4                    counties for road and bridge infrastructure projects. The state treasurer shall distribute  
5                    the grants only if the fund balance is at least ten percent of the amount needed for  
6                    distributions under this section.

7           **SECTION 39. REPEAL.** Section 54-06-25 of the North Dakota Century Code is repealed.

8           **SECTION 40. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the  
9   fiscal management division, as contained in section 1 of chapter 40 of the the 2019 Session  
10   Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this  
11   appropriation are available for continued development and operating costs of the statewide  
12   systems, including accounting, management, and payroll, during the biennium beginning July 1,  
13   2021, and ending June 30, 2023.

14          **SECTION 41. EXEMPTION - STATE STUDENT INTERNSHIP PROGRAM.** The amount of  
15   \$250,000 appropriated in section 1, identified in section 2, and transferred in section 8 of  
16   chapter 40 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any  
17   unexpended funds from this appropriation are available to the office of management and budget  
18   for the state student internship program during the biennium beginning July 1, 2021, and ending  
19   June 30, 2023.

20          **SECTION 42. EXEMPTION - ASSESSMENT OF STATE LANDS AND FACILITIES.** The  
21   amount of \$500,000 appropriated from the strategic investment and improvements fund in  
22   section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws is not subject to the  
23   provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to  
24   the office of management and budget to continue the assessment of state lands and facilities  
25   during the biennium beginning July 1, 2021, and ending June 30, 2023.

26          **SECTION 43. LEGISLATIVE MANAGEMENT STUDY - SPACE NEEDS AT STATE**  
27   **CAPITOL.**

- 28           1.    During the 2021-22 interim, the legislative management shall consider studying space  
29                    needs of the executive, judicial, and legislative branches at the state capitol. The study  
30                    must include:  
31                    a.    A review of each branch's employee work location policies;

- 1           b. An assessment of the space needs of each branch to fulfill their constitutional
  - 2                     and statutory responsibilities;
  - 3           c. An evaluation of state agency leases of space from private and other
  - 4                     governmental entities in Bismarck, amounts being paid for these leases, and
  - 5                     state agency rental payments being made to the office of management and
  - 6                     budget from special and federal funds;
  - 7           d. Consideration of the feasibility and desirability of the office of management and
  - 8                     budget charging rent to agencies receiving funding from the general fund; and
  - 9           e. The development of a space utilization plan for the capitol complex.
- 10        2. The legislative management shall report its findings and recommendations, together
  - 11             with any legislation required to implement the recommendations, to the sixty-eighth
  - 12             legislative assembly.

13           **SECTION 44. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE**

14 **COMPENSATION.** During the 2021-22 interim, the legislative management shall consider  
15 studying the classified state employee compensation system, including a review of the  
16 development and determination of pay grades and classifications. The legislative management  
17 shall report its findings and recommendations, together with any legislation required to  
18 implement the recommendations, to the sixty-eighth legislative assembly.

19           **SECTION 45. LEGISLATIVE MANAGEMENT STUDY - BIOLOGIC MANUFACTURING**

20 **SALES TAX EXEMPTION.** During the 2021-22 interim, the legislative management shall  
21 consider studying the fiscal impact of providing a sales tax exemption for raw materials critical  
22 to the manufacturing process used to support biologic product generation, product impurity  
23 removal, chemical or physical product alteration, and analysis of in-process to final deliverable  
24 products. The legislative management shall report its findings and recommendations, together  
25 with any legislation required to implement the recommendations, to the sixty-eighth legislative  
26 assembly.

27           **SECTION 46. EMERGENCY.** The following are declared to be an emergency measure:

- 28        1. Sections 3, 6, 9, and 13 of this Act;
- 29        2. Section 3 of House Bill No. 1349, as approved by the sixty-seventh legislative
- 30             assembly;

Sixty-seventh  
Legislative Assembly

- 1        3.    \$12,000,000 appropriated from the federal coronavirus relief fund, of which
- 2                \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line
- 3                item in section 1 and identified in sections 2 and 8 of Senate Bill No. 2018, as
- 4                approved by the sixty-seventh legislative assembly;
- 5        4.    \$100,000 appropriated from the general fund for a motion picture production and
- 6                recruitment grant in the grants line item in section 1 and identified in section 2 of
- 7                Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly;
- 8        5.    Senate Bill No. 2140, as approved by the sixty-seventh legislative assembly; and
- 9        6.    Senate Bill No. 2317, as approved by the sixty-seventh legislative assembly.