

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED SENATE BILL NO. 2014**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the 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 provide for transfers; to  
4 amend and reenact sections 15-62.1-07, 28-25-11, 54-17-40, 54-18-19, and 57-62-02 of the  
5 North Dakota Century Code and section 26 of chapter 14 of the 2015 Session Laws, relating to  
6 loan guarantee fees, suspension of recreational licenses, the housing incentive fund, North  
7 Dakota mill and elevator profits, coal development trust fund allocations, and a financial center  
8 project; to repeal section 54-17-41 of the North Dakota Century Code, relating to housing  
9 incentive fund reports; to provide statements of legislative intent; to provide for reports; to  
10 provide exemptions; to provide an expiration date; and to declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
13 as may be necessary, are appropriated out of any moneys in the general fund in the state  
14 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
15 other income, to the industrial commission and agencies under its control for the purpose of  
16 defraying the expenses of the industrial commission and agencies under its control, for the  
17 biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

18 Subdivision 1.

19 INDUSTRIAL COMMISSION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
22 Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
23 Operating expenses	4,779,135	1,526,753	6,305,888
24 Grants - bond payments	15,040,829	(1,830,345)	13,210,484

Sixty-fifth  
Legislative Assembly

1	Contingencies	<u>0</u>	<u>221,737</u>	<u>221,737</u>
2	Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
3	Less estimated income	<u>16,994,447</u>	<u>(651,241)</u>	<u>16,343,206</u>
4	Total general fund	\$24,957,746	\$451,241	\$25,408,987
5	Full-time equivalent positions	116.75	(6.50)	110.25

6 Subdivision 2.

7 BANK OF NORTH DAKOTA - OPERATIONS

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Bank of North Dakota operations	\$58,542,301	(\$53,097)	\$58,489,204
11	Capital assets	<u>745,000</u>	<u>65,000</u>	<u>810,000</u>
12	Total special funds	\$59,287,301	\$11,903	\$59,299,204
13	Full-time equivalent positions	181.50	0.00	181.50

14 Subdivision 3.

15 MILL AND ELEVATOR ASSOCIATION

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
19	Operating expenses	27,327,000	868,000	28,195,000
20	Contingencies	500,000	0	500,000
21	Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
22	Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519
23	Full-time equivalent positions	147.00	6.00	153.00

24 Subdivision 4.

25 HOUSING FINANCE AGENCY

26			Adjustments or	
27		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28	Salaries and wages	\$7,745,034	\$147,022	\$7,892,056
29	Operating expenses	3,744,275	999,080	4,743,355
30	Grants	25,930,780	5,864,048	31,794,828
31	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>

Sixty-fifth  
Legislative Assembly

1	Total special funds	\$37,520,089	\$7,010,150	\$44,530,239
2	Full-time equivalent positions	46.00	(2.00)	44.00
3	Subdivision 5.			
4	BILL TOTAL			
5			Adjustments or	
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
8	Grand total special funds	<u>178,117,735</u>	<u>10,268,433</u>	<u>188,386,168</u>
9	Grand total all funds	\$203,075,481	\$10,719,674	\$213,795,155

10 **SECTION 2. HEALTH INSURANCE INCREASE.** Section 1 of this Act includes the sum of  
 11 \$1,319,354, of which \$292,009 is from the general fund, for increases in employee health  
 12 insurance premiums from \$1,130 to \$1,241 per month.

13 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**  
 14 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 15 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium  
 16 and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of  
 17 this Act:

18	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
19	Litigation	\$2,500,000	\$1,000,000
20	Lignite research council grant	4,672,500	0
21	Aerial photography	104,143	0
22	Contract analysis	125,000	0
23	Digital conversion	25,000	0
24	Migration to RBDMS.net	250,000	0
25	All-terrain vehicles	41,500	0
26	Core library expansion	13,625,322	0
27	Financial center project	<u>17,000,000</u>	<u>0</u>
28	Total all funds	\$38,343,465	\$1,000,000
29	Total special funds	<u>30,625,322</u>	<u>1,000,000</u>
30	Total general fund	\$7,718,143	\$0

1 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for  
2 the 2019-21 biennium. The industrial commission shall report to the appropriations committees  
3 of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium  
4 beginning July 1, 2017, and ending June 30, 2019.

5 **SECTION 4. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$13,210,484  
6 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be  
7 paid from the following funding sources during the biennium beginning July 1, 2017, and ending  
8 June 30, 2019:

9 North Dakota university system	\$6,605,326
10 North Dakota university system - energy conservation projects	491,500
11 Department of corrections and rehabilitation	1,158,679
12 Department of corrections and rehabilitation - energy conservation projects	16,285
13 State department of health	636,877
14 Job service North Dakota	428,100
15 Office of management and budget	665,411
16 Attorney general's office	766,012
17 State historical society	1,392,629
18 Parks and recreation department	73,642
19 Research and extension service	571,520
20 Veterans' home	<u>404,503</u>
21 Total	\$13,210,484

22 **SECTION 5. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.**

23 In addition to the amount appropriated to the housing finance agency in subdivision 4 of  
24 section 1 of this Act, there is appropriated any additional income or unanticipated income from  
25 federal or other funds which may become available to the agency for the biennium beginning  
26 July 1, 2017, and ending June 30, 2019. The housing finance agency shall notify the office of  
27 management and budget and the legislative council of any additional income or unanticipated  
28 income that becomes available to the agency.

29 **SECTION 6. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY**  
30 **COMMISSION APPROVAL.** In addition to the amount appropriated to the industrial commission  
31 in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the

1 emergency commission, funds that may become available to the commission from bonds  
2 authorized by law to be issued by the industrial commission for the biennium beginning July 1,  
3 2017, and ending June 30, 2019.

4 **SECTION 7. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING.**

5 The amount of \$221,737 from the general fund and two full-time equivalent positions included in  
6 subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this  
7 section. The industrial commission shall notify the office of management and budget and the  
8 legislative council when the total number of wells capable of production and injection exceeds

9 ~~2. In addition to the funding and full-time equivalent positions authorized in~~  
10 ~~subsection 1 and subject to budget section approval, \$836,308 from the contingencies~~  
11 ~~line item and four full-time equivalent positions if the total number of wells capable of~~  
12 ~~production and injection exceeds nineteen thousand four hundred wells.~~  
13 thousand two hundred. Subject to budget section approval, the industrial commission  
14 may spend \$221,737 from the contingencies line item and may hire two full-time  
15 equivalent positions if the total number of wells capable of production and injection  
16 exceeds eighteen thousand two hundred.

17 **SECTION 8. TRANSFER - ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL**

18 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of \$1,103,779, or so much of  
19 the sum as may be necessary, included in the special funds appropriation line item in  
20 subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of  
21 the industrial commission or entities directed to make payments to the industrial commission  
22 fund for administrative services rendered by the commission. Transfers must be made during  
23 the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the commission.  
24 Transfers from the student loan trust fund must be made to the extent permitted by sections  
25 54-17-24 and 54-17-25.

26 **SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND.**

27 The industrial commission shall transfer to the general fund \$140,000,000 from the current  
28 earnings and the accumulated undivided profits of the Bank of North Dakota during the  
29 biennium beginning July 1, 2017, and ending June 30, 2019. The moneys must be transferred  
30 in the amounts and at the times requested by the director of the office of management and  
31 budget after consultation with the Bank of North Dakota president.

1       **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING**  
2 **COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of \$16,000,000,  
3 or so much of the sum as may be necessary, from the Bank's current earnings and undivided  
4 profits to the partnership in assisting community expansion fund during the biennium beginning  
5 July 1, 2017, and ending June 30, 2019.

6       **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE**  
7 **PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall  
8 transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's  
9 current earnings and undivided profits to the agriculture partnership in assisting community  
10 expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

11       **SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN**  
12 **ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of  
13 \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and  
14 undivided profits to the biofuels partnership in assisting community expansion fund during the  
15 biennium beginning July 1, 2017, and ending June 30, 2019.

16       **SECTION 13. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER**  
17 **REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer the sum of \$6,000,000, or  
18 so much of the sum as may be necessary, from the Bank's current earnings and undivided  
19 profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2017,  
20 and ending June 30, 2019.

21       **SECTION 14. TRANSFER - BANK OF NORTH DAKOTA - SCHOOL CONSTRUCTION**  
22 **LOAN INTEREST RATE BUYDOWNS.** The Bank of North Dakota shall transfer the sum of  
23 \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and  
24 undivided profits for interest rate buydowns on outstanding school construction loans under  
25 section 15.1-36-06 during the biennium beginning July 1, 2017, and ending June 30, 2019.

26       **SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**  
27 **LIGNITE RESEARCH FUND.** The department of trust lands shall transfer the sum of  
28 \$3,000,000 from the strategic investment and improvements fund to the lignite research fund  
29 during the biennium beginning July 1, 2017, and ending June 30, 2019. The funding must be  
30 used to provide grants for advanced energy technology research and development. Grant  
31 recipients must provide matching funds.

1       **SECTION 16. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**

2 **FUNDS.** The estimated income line item in section 1 of this Act includes \$1,000,000 from the  
3 strategic investment and improvements fund for litigation expenses.

4       **SECTION 17. AMENDMENT.** Section 15-62.1-07 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6       **15-62.1-07. Fees for insurance and other reasonable costs.**

7       The agency is hereby authorized to may charge reasonable fees for guarantee and  
8 insurance to students obtaining or who have obtained loans under this chapter, ~~and such fees.~~  
9 The agency may charge up to eighteen percent of accumulated principal and interest if the  
10 loans are in default under section 15-62.1-06. The fees collected under this section must be  
11 available to defray costs of administering the guarantee loan program. Fees in excess of the  
12 amount required to pay the cost of administering the program must be deposited in the reserve  
13 fund. The authority of the agency to charge reasonable fees under this section applies to all  
14 borrowers and cosigners for loans obtained under this chapter whenever the underlying note  
15 was executed and subject to the note providing for payments of fees and collections costs.

16       **SECTION 18. AMENDMENT.** Section 28-25-11 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18       **28-25-11. Property applied - Wages exempt - Suspension of ~~occupational or~~**  
19 **~~professional license~~ recreational licenses for nonpayment of defaulted state guaranteed**  
20 **student loans.**

- 21       1. The judge may order any property of the judgment debtor not exempt from execution  
22 in the hands either of the judgment debtor or of any other person or due the judgment  
23 debtor to be applied toward the satisfaction of the judgment, except that the earnings  
24 of the debtor for the debtor's personal services at any time within sixty days next  
25 preceding the order cannot be so applied when it is made to appear, by the debtor's  
26 affidavit or otherwise, that the earnings are necessary for the use of a family supported  
27 wholly or partly by the debtor's labor.
- 28       2. ~~If the debt for which a judgment is entered is for a guaranteed student loan, the court,~~  
29 ~~after considering the factors in subsection 1, shall address and make specific findings~~  
30 ~~on the issue of whether the judgment debtor has an occupational or a professional~~  
31 ~~certificate license or permit issued by or on behalf of the state or any occupational or~~

1 professional boards, which the judgment debtor is required to obtain before engaging  
2 in the judgment debtor's occupation or profession. The court, based on principles of  
3 fairness, including consideration of whether the judgment debtor has been unjustly  
4 enriched, may suspend a judgment debtor's certificate, license, or permit. Following a  
5 decision to suspend a judgment debtor's certificate, license, or permit, the court shall  
6 notify the judgment debtor that the decision becomes final thirty days after the  
7 notification unless the judgment debtor satisfies the entire outstanding payment due or  
8 makes regular payment on the judgment in a manner and at times satisfactory to the  
9 court. The court shall notify the proper licensing authority of the court's decision to  
10 suspend a judgment debtor's certificate, license, or permit. A certificate, license, or  
11 permit suspended by an order issued under this section may be reissued only by order  
12 of the court. An appeal by a judgment debtor who has had a certificate, license, or  
13 permit suspended under this section is an appeal from the court's order and may not  
14 be appealed to the licensing authority. The court may withhold or suspend any  
15 certificate, permit, or license issued by lottery, tag, electronically, or over the counter  
16 by the director of the game and fish department which the judgment debtor is required  
17 to obtain before engaging in a recreational activity. Following a decision to withhold or  
18 suspend a judgment debtor's certificate, permit, or license for failure to repay a state  
19 guaranteed student loan, the court shall notify the judgment debtor that the decision  
20 becomes final thirty days after the notification unless the judgment debtor satisfies or  
21 makes arrangements to pay the entire outstanding payment due or makes regular  
22 payment on the judgment in a manner and at times satisfactory to the court. The court  
23 shall notify the director of the game and fish department of the court's decision to  
24 withhold or suspend a debtor's certificate, permit, or license. A certificate, permit, or  
25 license withheld or suspended by an order issued under this section may be reissued  
26 only by order of the court. An appeal by a debtor who has had a certificate, permit, or  
27 license suspended or withheld under this section is an appeal from the court's order  
28 and may not be appealed to the director of the game and fish department.

29 **SECTION 19. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is  
30 amended and reenacted as follows:



1           **54-17-40. (Effective through June 30, 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. a. After a public hearing, the housing finance agency shall create an annual  
7           allocation plan for the distribution of the fund. At least twenty-five percent of the  
8           fund must be used to assist developing communities to address an unmet  
9           housing need or alleviate a housing shortage. ~~The agency may collect a~~  
10          ~~reasonable administrative fee from the fund, project developers, applicants, or~~  
11          ~~grant recipients. The origination fee assessed to grant recipients may not exceed~~  
12          ~~five percent of the project award.~~

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

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

27          ~~The housing finance agency shall maintain a register reflecting the number of~~  
28          ~~housing units owned or master leased by cities, counties, school districts, or other~~  
29          ~~employers of essential service workers. This register must also reflect those entities~~  
30          ~~that are providing rent subsidies for their essential workers. The housing finance~~  
31          ~~agency shall report quarterly to the budget section of the legislative management on~~

1           ~~the progress being made to reduce the overall number of units owned, master leased,~~  
2           ~~or subsidized by these entities. This report must include a listing of projects approved~~  
3           ~~and number of units within those projects that provide housing for essential service~~  
4           ~~workers.~~

- 5           3. The housing finance agency shall adopt guidelines for the fund so as to address  
6           unmet housing needs in this state. Assistance from the fund may be used solely for:
- 7           a. New construction, rehabilitation, or acquisition of a multifamily housing project;
  - 8           b. Gap assistance, matching funds, and accessibility improvements;
  - 9           c. Assistance that does not exceed the amount necessary to qualify for a loan using  
10           underwriting standards acceptable for secondary market financing or to make the  
11           project feasible; and
  - 12           d. Rental assistance, emergency assistance, or targeted supportive services  
13           designated to prevent homelessness.
- 14           4. Eligible recipients include units of local, state, and tribal government; local and tribal  
15           housing authorities; community action agencies; regional planning councils; and  
16           nonprofit organizations and for-profit developers of multifamily housing. Individuals  
17           may not receive direct assistance from the fund.
- 18           5. Except for subdivision d of subsection 3, assistance is subject to repayment or  
19           recapture under the guidelines adopted by the housing finance agency. Any  
20           assistance that is repaid or recaptured must be deposited in the fund and is  
21           appropriated on a continuing basis for the purposes of this section.
- 22           6. The agency may collect a reasonable administrative fee from the fund, project  
23           developers, applicants, or grant recipients. The origination fee assessed to grant  
24           recipients may not exceed five percent of the project award.
- 25           7. The housing finance agency shall maintain a register reflecting the number of housing  
26           units owned or master leased by cities, counties, school districts, or other employers  
27           of essential service workers. This register must also reflect those entities that are  
28           providing rent subsidies for their essential workers.
- 29           8. Upon request, the housing finance agency shall report to the industrial commission  
30           regarding the activities of the housing incentive fund.

- 1        9. At least once per biennium, the housing finance agency shall provide a report to the  
2        budget section of the legislative management regarding the activities of the housing  
3        incentive fund. The report must include the following:
- 4        a. The overall number of units owned, master leased, or subsidized by political  
5        subdivisions or other employers of essential service workers; and
- 6        b. A listing of projects approved and the number of units within those projects that  
7        provide housing for essential service workers.

8        **SECTION 20. AMENDMENT.** Section 54-18-19 of the North Dakota Century Code is  
9        amended and reenacted as follows:

10        **54-18-19. Transfer of North Dakota mill and elevator profits to general fund.**

11        The industrial commission shall transfer to the state general fund ~~fiftyseventy-five~~ percent of  
12        the annual earnings and undivided profits of the North Dakota mill and elevator association after  
13        any transfers to other state agricultural-related programs. The moneys must be transferred on  
14        an annual basis in the amounts and at the times requested by the director of the office of  
15        management and budget.

16        **SECTION 21. AMENDMENT.** Section 57-62-02 of the North Dakota Century Code is  
17        amended and reenacted as follows:

18        **57-62-02. Allocation of moneys in coal development fund**

19        Moneys deposited in the coal development fund shall be apportioned monthly by the state  
20        treasurer as follows:

- 21        1. ~~Thirty~~Fifteen percent must be deposited in a permanent trust fund in the state treasury,  
22        to be known as the coal development trust fund, pursuant to section 21 of article X of  
23        the Constitution of North Dakota. Those funds held in trust and administered by the  
24        board of university and school lands on March 5, 1981, pursuant to section 12, chapter  
25        563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13,  
26        chapter 626, 1979 Session Laws must also be deposited in the trust fund created  
27        pursuant to this subsection. The fund must be held in trust and administered by the  
28        board of university and school lands for loans to coal-impacted counties, cities, and  
29        school districts as provided in section 57-62-03 and for loans to school districts  
30        pursuant to chapter 15.1-36. The board of university and school lands may invest such  
31        funds as are not loaned out as provided in this chapter and may consult with the state

1 investment board as provided by law. The income, including interest payments on  
2 loans, from the trust must be used first to replace uncollectible loans made from the  
3 fund and the balance must be deposited in the school construction assistance loan  
4 fund. Loan principal payments must be redeposited in the trust fund. The trust fund  
5 must be perpetual and held in trust as a replacement for depleted natural resources  
6 subject to the provisions of this chapter and chapter 15.1-36.

7 2. Fifteen percent must be deposited in the lignite research fund for the purpose of  
8 developing advanced energy technology.

9 3. Seventy percent must be allocated to the coal-producing counties and must be  
10 distributed among such counties in such proportion as the number of tons [metric tons]  
11 of coal severed at each mining operation bears to the total number of tons [metric  
12 tons] of coal severed in the state during such monthly period. Allocations under  
13 subdivisions a and b must be apportioned by the state treasurer as follows:

14 a. If the tipple of the currently active coal mining operation in a county is not within  
15 fifteen miles [24.14 kilometers] of another county in which no coal is mined, the  
16 revenue apportioned according to this subdivision must be allocated as follows:

17 (1) Thirty percent must be paid by the state treasurer to the incorporated cities  
18 of the county based upon the population of each incorporated city according  
19 to the last official regular or special federal census or the census taken in  
20 accordance with the provisions of chapter 40-02 in case of a city  
21 incorporated subsequent to such census.

22 (2) Forty percent must be paid to the county treasurer who shall deposit it in the  
23 county general fund to be used for general governmental purposes.

24 (3) Thirty percent must be apportioned by the state treasurer to school districts  
25 within the county on the average daily membership basis, as certified to the  
26 state treasurer by the county superintendent of schools.

27 b. If the tipple of a currently active coal mining operation in a county is within fifteen  
28 miles [24.14 kilometers] of another county in which no coal is mined, the revenue  
29 from the production not exceeding the production limitation in a calendar year  
30 which is apportioned from that coal mining operation according to this subsection  
31 must be allocated, subject to the definitions of terms and the requirements in

1 paragraph 4, as provided in this subdivision. For purposes of this subdivision, the  
2 production limitation is three million eight hundred thousand tons [3447302.02  
3 metric tons] through calendar year 1995, three million six hundred thousand tons  
4 [3265865.07 metric tons] in calendar years 1996 and 1997, and three million four  
5 hundred thousand tons [3084428.12 metric tons] in calendar years after 1997.  
6 Revenue from production exceeding the production limitation in a calendar year  
7 from that coal mining operation must be allocated only within the coal-producing  
8 county under subdivision a. Allocations under this subdivision must be made as  
9 follows:

- 10 (1) Thirty percent must be paid by the state treasurer to the incorporated cities  
11 of the coal-producing county and to any city of a non-coal-producing county  
12 when any portion of the city lies within fifteen miles [24.14 kilometers] of the  
13 tiple of the currently active coal mining operation in the coal-producing  
14 county, based upon the population of each incorporated city according to  
15 the last official regular or special federal census or the census taken in  
16 accordance with the provisions of chapter 40-02 in case of a city  
17 incorporated subsequent to such census.
- 18 (2) Forty percent must be divided by the state treasurer between the general  
19 fund of the coal-producing county and the general fund of any  
20 non-coal-producing county when any portion of the latter county lies within  
21 fifteen miles [24.14 kilometers] of the tiple of the currently active coal  
22 mining operation in the coal-producing county. The non-coal-producing  
23 county portion must be based upon the ratio which the assessed valuation  
24 of all quarter sections of land in that county, any portion of which lies within  
25 fifteen miles [24.14 kilometers] of the tiple of the currently active coal  
26 mining operation, bears to the combined assessed valuations of all land in  
27 the coal-producing county and the quarter sections of land in the  
28 non-coal-producing county within fifteen miles [24.14 kilometers] of the  
29 tiple of the currently active coal mining operation. The county director of  
30 tax equalization of the coal-producing county shall certify to the state  
31 treasurer the number of quarter sections of land in the non-coal-producing

1 counties which lie at least in part within fifteen miles [24.14 kilometers] of  
2 the tipple of the currently active coal mining operation and their assessed  
3 valuations.

4 (3) Thirty percent must be apportioned by the state treasurer to school districts  
5 within the coal-producing county and to school districts in adjoining  
6 non-coal-producing counties when a portion of those school districts' land  
7 includes any of the quarter sections of land certified by the director of tax  
8 equalization to the state treasurer to be eligible to share county funds as  
9 provided for in paragraph 2. The county superintendent of the  
10 non-coal-producing counties shall certify to the state treasurer the number  
11 of students actually residing on these quarter sections lying outside the  
12 coal-producing county and each school district in non-coal-producing  
13 counties shall receive a portion of the money under this paragraph based  
14 upon the ratio of the number of children residing on quarter sections of that  
15 school district within the fifteen-mile [24.14-kilometer] radius of the tipple of  
16 a currently active coal mining operation to the total number of schoolchildren  
17 from the coal-producing county combined with all the schoolchildren  
18 certified to be living on quarter sections within fifteen miles [24.14  
19 kilometers] of the tipple of the currently active coal mining operation in the  
20 coal-producing county.

21 (4) For the purposes of this subdivision:

22 (a) The terms "currently active coal mining operation in a county",  
23 "currently active coal mining operation in the coal-producing county",  
24 and "currently active coal mining operation" mean a coal mining  
25 operation that produced more than one hundred fifty thousand tons  
26 [136077.71 metric tons] of coal in a coal-producing county during the  
27 prior quarterly period.

28 (b) The term "coal-producing county" means a county in which more than  
29 one hundred fifty thousand tons [136077.71 metric tons] of coal were  
30 mined in the prior quarterly period.

- 1 (c) The term "another county in which no coal is mined" means a county  
2 in which not more than seventy-five thousand tons [68038.86 metric  
3 tons] of coal were mined in the prior quarterly period.
- 4 (d) The terms "non-coal-producing county" and "non-coal-producing  
5 counties" mean any county in which not more than seventy-five  
6 thousand tons [68038.86 metric tons] of coal were mined in the prior  
7 quarterly period.
- 8 (e) In computing each amount to be paid as provided in paragraph 1, 2,  
9 or 3 for coal severance tax revenue from coal mined during a monthly  
10 period, the state treasurer shall deduct from the allocation the amount  
11 of coal severance tax revenue, if any, that the governmental body in  
12 the non-coal-producing county received from the coal mined in the  
13 non-coal-producing county during the same monthly period.
- 14 (5) The state treasurer shall allocate funds provided by legislative appropriation  
15 to cities, the county general fund, and school districts within a  
16 coal-producing county according to the allocation method provided in  
17 subdivision a in an amount to offset fifty percent of the loss of that county's  
18 share of coal severance tax revenue allocated to a non-coal-producing  
19 county under this subdivision in the previous calendar year. The state  
20 treasurer shall make the allocation and distribute the funds, within the limits  
21 of legislative appropriations, under this paragraph during the first month of  
22 each calendar year. The state treasurer shall include in each biennial  
23 budget request the amounts estimated to be necessary for the biennium for  
24 purposes of this paragraph, based on the allocations under this subdivision  
25 in the most recent calendar years.

26 **SECTION 22. AMENDMENT.** Section 26 of chapter 14 of the 2015 Session Laws is  
27 amended and reenacted as follows:

28 **SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH**  
29 **DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT**  
30 **REPORT.** The capital assets line item in subdivision 2 of section 1 of this Act includes  
31 \$17,000,000 from the assets of the Bank of North Dakota for the purpose of

1 constructing a North Dakota financial center on a site adjacent to the existing building  
2 in which the Bank is located. The Bank may spend the funding only if the Bank's net  
3 income, reported in accordance with financial accounting standards board accounting  
4 standards, for calendar year 2015 exceeds \$125,000,000. The funding appropriated  
5 for this purpose is not subject to section 54-44.1-11 and any unexpended funds are  
6 available during the biennium beginning July 1, 2017, and ending June 30,  
7 ~~2019~~through June 30, 2021. The Bank of North Dakota shall report to the legislative  
8 management and to the appropriations committees of the sixty-fifth legislative  
9 assembly on the use of the funding provided for the North Dakota financial center,  
10 including the amounts spent to date and the amounts anticipated to be continued into  
11 the 2017-19 biennium, and on the progress of the project.

12 **SECTION 23. REPEAL.** Section 54-17-41 of the North Dakota Century Code is repealed.

13 **SECTION 24. EXEMPTION - INDUSTRIAL COMMISSION FUND.** The amount  
14 appropriated to the industrial commission in the special funds appropriation line item in  
15 section 1 of chapter 14 of the 2015 Session Laws and transferred pursuant to section 6 of  
16 chapter 14 of the 2015 Session Laws is not subject to the provisions of 54-44.1-11. Any  
17 unexpended funds from this appropriation are available to the industrial commission for  
18 administrative services rendered by the commission during the biennium beginning July 1,  
19 2017, and ending June 30, 2019.

20 **SECTION 25. EXEMPTION - LIGNITE RESEARCH GRANTS.** The amount appropriated to  
21 the industrial commission from the general fund for lignite research grants in the grants line item  
22 in section 1 of chapter 14 of the 2015 Session Laws is not subject to the provisions of  
23 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial  
24 commission for lignite research grants during the biennium beginning July 1, 2017, and ending  
25 June 30, 2019.

26 **SECTION 26. LEGISLATIVE INTENT - RENEWABLE ENERGY DEVELOPMENT FUND.** It  
27 is the intent of the sixty-fifth legislative assembly that the industrial commission consider  
28 applications for funding from the renewable energy development fund for advanced energy  
29 technology development projects.

30 **SECTION 27. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**  
31 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite



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

16 **SECTION 28. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF**  
17 **NORTH DAKOTA.** The Bank of North Dakota may not construct a North Dakota financial center  
18 on a site adjacent to the existing building on which the Bank of North Dakota is located related  
19 to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in  
20 sections 2 and 26 of chapter 14 of the 2015 Session Laws until after June 30, 2019.

21 **SECTION 29. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE**  
22 **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in  
23 consultation with the game and fish department, the state department of health, the state water  
24 commission, and any other state agencies as necessary, regarding the feasibility of and  
25 appropriate jurisdiction for regulation of sediment studies and dredging operations from the  
26 beds of reservoirs that retain more than fifty acre-feet of surface water. The study must include  
27 consideration of best practices in other states, an outline of any proposed regulations, and a  
28 plan to implement a uniform permitting process. The industrial commission shall report to the  
29 legislative management by September 30, 2018, regarding the results and recommendations of  
30 the study.

1       **SECTION 30. GAIN-SHARING PROGRAM STUDY - REPORT TO LEGISLATIVE**

2       **MANAGEMENT.** During the 2017-18 interim, the industrial commission shall conduct a study in  
3       consultation with the North Dakota mill and elevator association regarding the gain-sharing  
4       program. The study must include consideration of the costs and benefits of the gain-sharing  
5       program, best practices in other milling operations, and the estimated fiscal impact of repealing  
6       or modifying the gain-sharing program. The industrial commission shall report to the legislative  
7       management by July 1, 2018, regarding the results and recommendations of the study.

8       **SECTION 31. BANK OF NORTH DAKOTA EFFICIENCY STUDY - REPORT.** During the  
9       2017-18 interim, the Bank of North Dakota shall conduct a study regarding potential efficiencies  
10      in operations. The Bank of North Dakota shall report to the appropriations committees of the  
11      sixty-sixth legislative assembly regarding the results and recommendations of the study.

12      **SECTION 32. EXPIRATION DATE.** Section 20 of this Act is effective through June 30,  
13      2019, and after that date is ineffective.

14      **SECTION 33. EMERGENCY.** Section 28 of this Act is declared to be an emergency  
15      measure.