

**FIRST ENGROSSMENT
with Senate 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, and the agriculture commissioner; to create and enact a new section to chapter
7 10-04 of the North Dakota Century Code, relating to notice filing for certain legacy fund
8 investments; to amend and reenact subsection 1 of section 10-04-03, a new chapter to title 54,
9 as created by section 3 in House Bill No. 1452, as approved by the sixty-seventh legislative
10 assembly, sections 54-44.1-18, 54-44.4-07, 54-44.4-08, 57-51.1-07.5, subsections 2 and 3 of
11 section 57-51.1-07.7, and subsection 2 of section 57-51.1-07.8 of the North Dakota Century
12 Code, relating to qualifications of the securities commissioner, the clean sustainable energy
13 authority, publishing political subdivision budgets, environmentally preferable products, the state
14 share of oil and gas tax revenue allocations, the municipal infrastructure fund, and the county
15 and township infrastructure fund; to repeal section 54-06-25 of the North Dakota Century Code,
16 relating to the state employee compensation commission; to provide for a transfer; to provide
17 for a claims payment; to provide compensation guidelines; to provide an exemption; to provide
18 for a legislative management study; to provide a report; and to declare an emergency.

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

20 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
21 as may be necessary, are appropriated out of any moneys in the general fund in the state
22 treasury, not otherwise appropriated, and from special funds derived from federal funds and
23 other income, to the office of management and budget for the purpose of defraying the

Sixty-seventh
Legislative Assembly

1 expenses of the office of management and budget, for the biennium beginning July 1, 2021,
2 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
5 Salaries and wages	\$21,903,816	\$23,163	\$21,926,979
6 Operating expenses	14,937,426	1,375,788	16,313,214
7 Emergency commission contingency fund	500,000	(100,000)	400,000
8 Capital assets	767,125	4,767,494	5,534,619
9 Grants	54,000	(54,000)	0
10 Guardianship grants	1,950,000	500,000	2,450,000
11 Prairie public broadcasting	1,200,000	1	1,200,001
12 Community service supervision grants	350,000	50,000	400,000
13 State student internship program	<u>0</u>	<u>100,000</u>	<u>100,000</u>
14 Total all funds	\$41,662,367	\$6,662,446	\$48,324,813
15 Less estimated income	<u>8,746,515</u>	<u>5,501,898</u>	<u>14,248,413</u>
16 Total general fund	\$32,915,852	\$1,160,548	\$34,076,400
17 Full-time equivalent positions	112.00	(4.00)	108.00

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

	<u>2019-21</u>	<u>2021-23</u>
22 <u>One-Time Funding Description</u>		
23 Extraordinary repairs	\$1,900,000	\$500,000
24 Capitol south entrance project	2,000,000	0
25 Special assessments on capitol grounds	320,000	300,000
26 Litigation funding pool	3,500,000	0
27 Assessment of state lands and facilities	500,000	0
28 Risk management technology project	170,000	0
29 State student internship program	250,000	100,000
30 Electronic procurement study	50,000	0
31 Facility consolidation study	0	350,000

Sixty-seventh
Legislative Assembly

1	Building automation project	0	518,800
2	Interior and exterior signage projects	0	500,000
3	Procurement software	0	2,021,204
4	Statewide budget software	<u>0</u>	<u>1,230,100</u>
5	Total all funds	\$8,690,000	\$5,520,104
6	Less estimated income	<u>8,390,000</u>	<u>5,420,104</u>
7	Total general fund	\$300,000	\$100,000

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

12 **SECTION 3. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
13 moneys in the community service supervision fund under section 29-26-22 are appropriated to
14 the office of management and budget for distribution to community corrections association
15 regions on or before August first of each year during the biennium beginning July 1, 2021, and
16 ending June 30, 2023.

17 **SECTION 4. APPROPRIATION - STATE DISASTER RELIEF FUND - STATE**
18 **TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES.** Due to
19 extraordinary flooding in 2020 in parts of the state and due to the excessive cost of road
20 maintenance, there is appropriated out of any moneys in the state disaster relief fund in the
21 state treasury, not otherwise appropriated, the sum of \$8,200,000, or so much of the sum as
22 may be necessary, to the state treasurer for the purpose of providing distributions to
23 non-oil-producing counties for the benefit of the organized and unorganized townships within
24 each non-oil-producing county, for the biennium beginning July 1, 2021, and ending June 30,
25 2023. In August 2021, the state treasurer shall distribute \$8,200,000, or so much of the sum as
26 may be necessary, to non-oil-producing counties for the benefit of the organized and
27 unorganized townships within each non-oil-producing county. The distribution to each
28 non-oil-producing county must provide for an allocation of \$5,000 to each organized and
29 unorganized township within the county. The amount allocated to organized townships under
30 this section must be paid by the county treasurer to each organized township. The amount
31 allocated to unorganized townships under this section must be credited by the county treasurer

1 to a special fund for unorganized township roads. The distributions under this section must be
2 used for the maintenance and improvement of township paved and unpaved roads and bridges.
3 A township is not eligible for an allocation of funds under this section if the township does not
4 maintain any township roads. For the purposes of this section, a "non-oil-producing county"
5 means a county that has received no allocation of funding or a total allocation of funding under
6 subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1,
7 2019, and ending August 31, 2020.

8 **SECTION 5. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS**
9 **FUND - MATCHING FUNDS - ONE-TIME FUNDING.**

- 10 1. There is appropriated from federal funds derived from the federal coronavirus capital
11 projects fund, not otherwise appropriated, the sum of \$78,000,000, or so much of the
12 sum as may be necessary, to the department of career and technical education for the
13 purpose of a statewide career academy initiative grant program for the period
14 beginning with the effective date of this Act, and ending June 30, 2023. The
15 department of career and technical education shall establish the application process
16 and develop eligibility requirements for the grant program that must include:
- 17 a. Funding may be used only for career and technical education projects involving
18 construction, addition, maintenance, and equipment for new and existing career
19 academies;
 - 20 b. Grants awarded to each recipient must be at least \$500,000, but may not exceed
21 \$10,000,000;
 - 22 c. Grants may be awarded only to the extent a school district has secured matching
23 funds from nonstate sources on a dollar-for-dollar basis;
 - 24 d. The application period for the grant program begins with the effective date of this
25 Act and ends on June 30, 2022. If funding remains after June 30, 2022, a second
26 application period is available from July 1, 2022, through December 31, 2022.
27 Successful applicants from the first application period are eligible for funding
28 during the second application period. Any funding not committed by
29 December 31, 2022, may not be spent and must be canceled at the end of the
30 2021-23 biennium in accordance with section 54-44.1-11;

- 1 e. Preference must be given to school districts that collaborate with other school
2 districts for a regional career academy facility or to school districts to create a
3 new career academy or use an existing career academy to positively affect that
4 region of the state; and
- 5 f. Preference must be given to school districts that will promote postsecondary
6 education and workforce training education in conjunction with secondary
7 education.
- 8 2. There is appropriated from federal funds derived from the federal coronavirus capital
9 projects fund, not otherwise appropriated, the sum of \$5,900,000, or so much of the
10 sum as may be necessary, to the department of public instruction for the purpose of
11 providing a grant to an entity for the development of a children's science center for the
12 period beginning with the effective date of this Act, and ending June 30, 2023.
- 13 3. There is appropriated from federal funds derived from the federal coronavirus capital
14 projects fund, not otherwise appropriated, the sum of \$5,000,000, or so much of the
15 sum as may be necessary, to the university of North Dakota for the purpose of
16 reconstruction of the university's apron at the Grand Forks airport for the period
17 beginning with the effective date of this Act, and ending June 30, 2023.
- 18 4. There is appropriated from federal funds derived from the federal coronavirus capital
19 projects fund, not otherwise appropriated, the sum of \$4,000,000, or so much of the
20 sum as may be necessary, to Dickinson state university for the purpose of a Pulver
21 hall project, a meat processing laboratory remodel, and other projects for the period
22 beginning with the effective date of this Act, and ending June 30, 2023.
- 23 5. There is appropriated from federal funds derived from the federal coronavirus capital
24 projects fund, not otherwise appropriated, the sum of \$3,000,000, or so much of the
25 sum as may be necessary, to the highway patrol for the purpose of a law enforcement
26 training center remodel project for the period beginning with the effective date of this
27 Act, and ending June 30, 2023.
- 28 6. There is appropriated from federal funds derived from the federal coronavirus capital
29 projects fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum
30 as may be necessary, to the office of management and budget for the purpose of

1 providing a grant to a medical center located in the county seat of Griggs County for
2 the period beginning with the effective date of this Act, and ending June 30, 2023.

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

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

12 a. \$21,763,000 to the department of career and technical education;

13 b. \$11,716,400 to the parks and recreation department;

14 c. \$5,900,000 to the department of public instruction;

15 d. \$5,000,000 to the university of North Dakota;

16 e. \$4,200,000 to the state historical society;

17 f. \$4,000,000 to Dickinson state university;

18 g. \$3,000,000 to the highway patrol;

19 h. \$500,000 to the office of management and budget; and

20 i. \$157,600 to the judicial branch.

21 9. In addition to the amounts appropriated under this section, section 1 of House Bill

22 No. 1019, as approved by the sixty-seventh legislative assembly, includes

23 \$11,716,400 and section 1 of House Bill No. 1018, as approved by the sixty-seventh

24 legislative assembly, includes \$4,200,000 to provide a total of \$112,474,000 from

25 federal funds derived from the federal coronavirus capital projects fund.

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

1 **SECTION 6. APPROPRIATION - HIGHWAY FUND - DEPARTMENT OF**
2 **TRANSPORTATION - ONE-TIME FUNDING - REPORT.**

3 1. There is appropriated out of any moneys in the highway fund in the state treasury, not
4 otherwise appropriated, the sum of \$21,800,000, or so much of the sum as may be
5 necessary, to the department of transportation for the purpose of distributions to
6 townships for road and bridge infrastructure needs for the biennium beginning July 1,
7 2021, and ending June 30, 2023, as follows:

8 a. The department shall award grants with preference given to grant applications for
9 projects that:

- 10 (1) Leverage available state, local, or federal funding;
11 (2) Coordinate with state, county, and other township projects;
12 (3) Focus on flood control and infrastructure resilience;
13 (4) Reduce road restrictions, improve mobility, and improve safety;
14 (5) Improve the agricultural economy and goods movement; and
15 (6) Confirm participating townships' ability to maintain the improvements.

16 b. The department shall establish an application process that must include the
17 following eligibility requirements:

- 18 (1) The roadways or bridges associated with the project must provide continuity
19 and connectivity to efficiently integrate and improve paved and unpaved
20 corridors within the township and across township borders;
21 (2) The project must be consistent with applicable township long-range
22 planning;
23 (3) The project must result in the roadway segment meeting an appropriate
24 legal load limit; and
25 (4) The project must comply with the American association of state highway
26 transportation officials pavement and bridge design procedures and
27 standards developed by the department of transportation in conjunction with
28 the local jurisdiction.

29 2. For approved projects, the department initially shall distribute the portion of the
30 approved grant funding for engineering and plan development costs. Upon execution
31 of a construction contract by the township, the department shall distribute the

1 remainder of the approved funding. Townships shall report to the department upon
2 awarding of each contract and upon completion of each project.

3 3. Grants may be awarded for construction, engineering, and plan development costs,
4 but may not be used for routine maintenance. Grants awarded may be applied to
5 engineering, design, and construction costs incurred on related projects as of
6 January 1, 2021. Section 54-44.1-11 does not apply to funding under this section and
7 any funds not spent by June 30, 2023, must be continued into the biennium beginning
8 July 1, 2023, and ending June 30, 2025, and may be expended only for the purposes
9 authorized by this section.

10 4. For the purposes of this section, a "non-oil-producing county" means a county that has
11 received no allocation of funding or a total allocation of funding under subsection 2 of
12 section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019,
13 and ending August 31, 2020.

14 5. The funding provided under this section is considered a one-time funding item and the
15 department shall report to the budget section and to the appropriations committees of
16 the sixty-eighth legislative assembly on the use of this one-time funding, including the
17 amounts awarded and distributed to each township, the amounts spent to date, and
18 the amounts anticipated to be continued into the 2023-25 biennium.

19 **SECTION 7. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - ONE-TIME**

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

26 **SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

27 **FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING**

28 **FUNDS.** There is appropriated out of any moneys in the strategic investment and improvements
29 fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the
30 sum as may be necessary, to the agriculture commissioner for the purpose of providing
31 grassland grazing grants to an organization representing cooperative grazing associations in

1 the state for the biennium beginning July 1, 2021, and ending June 30, 2023. To be eligible for a
2 grant under this program, an organization must provide one dollar of matching funds from
3 nonstate sources for every four dollars of grant funding. An organization that receives a grant
4 under this program may distribute the funding to cooperative grazing associations for eligible
5 infrastructure projects, which must be located on national grasslands within the state. Eligible
6 infrastructure projects include water development; fencing; conservation initiatives; compliance
7 with federal permitting requirements, including fees for professional services; and other projects
8 to enhance wildlife habitat, capture carbon, or increase the health of grasslands. The agriculture
9 commissioner shall establish additional guidelines for the program. This funding is considered a
10 one-time funding item.

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

24 **SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
25 **HIGHWAY FUND.** The office of management and budget shall transfer the sum of \$10,000,000
26 from the strategic investment and improvements fund to the highway fund during the biennium
27 beginning July 1, 2021, and ending June 30, 2023.

28 **SECTION 11. TRANSFER - TAX RELIEF FUND TO HIGHWAY FUND.** The office of
29 management and budget shall transfer the sum of \$11,800,000 from the tax relief fund to the
30 highway fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

1 **SECTION 12. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**

2 The office of management and budget shall transfer the sum of \$187,223,092 from the tax relief
3 fund to the human service finance fund during the biennium beginning July 1, 2021, and ending
4 June 30, 2023.

5 **SECTION 13. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**

6 **STATE AGENCIES.** The office of management and budget shall transfer funds from the state
7 student internship program line item appropriated in section 1 of this Act to eligible state
8 agencies for state student internships during the biennium beginning July 1, 2021, and ending
9 June 30, 2023.

10 **SECTION 14. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING**

11 **FUND.** The estimated income line item in section 1 of this Act includes \$2,168,800 of one-time
12 funding from the capitol building fund. Of the \$2,168,800, \$350,000 in the operating expenses
13 line item is for a facility consolidation study, \$300,000 in the operating expenses line item is for
14 special assessments associated with the capitol grounds, \$500,000 in the capital assets line
15 item is for extraordinary repairs, \$518,800 in the capital assets line item is for a building
16 automation project, and \$500,000 in the capital assets line item is for interior and exterior
17 signage.

18 **SECTION 15. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT**

19 **AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes
20 \$3,251,304 from the strategic investment and improvements fund. Of the \$3,251,304,
21 \$2,021,204 in the capital assets line item is for procurement software, and \$1,230,100 in the
22 capital assets line item is for budget software.

23 **SECTION 16. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation
24 authority which may be used only for the following grants and special items:

25 Unemployment insurance	\$2,000,000
26 Capitol grounds planning commission	\$25,000
27 Statewide memberships and related expenses	\$642,089

28 **SECTION 17. RISK MANAGEMENT FUND - CLAIMS PAYMENT.** Pursuant to the

29 continuing appropriation authority under section 32-12.2-07, the director of the office of
30 management and budget may make payments from the risk management fund during the
31 biennium beginning July 1, 2021, and ending June 30, 2023, for reasonable and necessary

1 costs and attorney's fees incurred by a state employee as a result of a criminal investigation or
2 prosecution occurring after December 31, 2018, under circumstances in which there was an
3 absence of probable cause, as identified in a prosecutorial or judicial determination or as
4 determined by the director of the office of management and budget in the absence of a
5 prosecutorial or judicial determination, and in which the offense involves the discharge of a
6 public duty. The director of the office of management and budget shall consult with the attorney
7 general when reviewing claims under this section and shall obtain written approval from the
8 attorney general for any claim exceeding ten thousand dollars.

9 **SECTION 18. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

- 10 1. The 2021-23 biennium compensation adjustments for permanent state employees are
11 to average 1.5 percent with a minimum of \$100 per month per eligible employee for
12 the first fiscal year of the biennium and are to average 2 percent per eligible employee
13 for the second year of the biennium. The increases for the first year of the biennium
14 are to be given beginning with the month of July 2021, to be paid in August 2021, and
15 for the second year of the biennium are to be given beginning with the month of July
16 2022, to be paid in August 2022. Except for minimum amounts, increases for eligible
17 state employees are to be based on documented performance and are not to be the
18 same percentage increase for each employee.
- 19 2. The office of management and budget shall develop guidelines for use by state
20 agencies for providing compensation adjustments for classified state employees. The
21 guidelines must follow the compensation philosophy statement under section
22 54-44.3-01.2.
- 23 3. Probationary employees are not entitled to the increases. However, at the discretion of
24 the appointing authority, probationary employees may be given all or a portion of the
25 increases effective in July, paid in August, or upon completion of probation. Employees
26 whose overall documented performance level does not meet standards are not eligible
27 for any salary increase.

28 **SECTION 19. AMENDMENT.** Subsection 1 of section 10-04-03 of the North Dakota
29 Century Code is amended and reenacted as follows:

- 30 1. The state securities department is under the supervision of a chief officer designated
31 as the securities commissioner. The securities commissioner must be appointed by

1 the governor and confirmed by the senate and shall hold office for a term of four years,
2 beginning on the first day of July following a national presidential election and
3 continuing until a successor has been appointed, confirmed by the senate, and has
4 qualified, unless removed as herein provided. If the senate is not in session, the
5 governor may make an interim appointment, and the interim appointee ~~shall~~may hold
6 office until the senate confirms or rejects the appointment. ~~The commissioner must be~~
7 ~~skilled in securities and may not be an incumbent of any other public office in the~~
8 ~~state.~~ The commissioner may not own or control any security required to be registered
9 under this chapter, or any security which is exempt based on the approval of the
10 securities department. The commissioner may not be an officer, director, or employee
11 of any broker-dealer, agent, investment adviser, or investment adviser representative
12 required to be registered under this chapter, or of a federal covered adviser required to
13 be notice-filed under this chapter. The governor may remove from office any
14 commissioner who fails to discharge faithfully the duties of office or who becomes
15 disqualified under the provisions of this section.

16 It is the prime duty of the commissioner to administer the provisions of this
17 chapter. The commissioner shall receive a salary within the amount appropriated for
18 salaries by the legislative assembly. The commissioner shall use a seal with the words
19 "securities commissioner, North Dakota" and such design as the commissioner may
20 prescribe engraved thereon by which seal the commissioner may authenticate
21 documents used in the administration of this chapter. The commissioner may employ
22 such employees as are necessary for the administration of this chapter. In the
23 absence or disability of the commissioner, the deputy or designee of the commissioner
24 ~~shall~~may administer the provisions of this chapter as acting commissioner.

25 **SECTION 20.** A new section to chapter 10-04 of the North Dakota Century Code is created
26 and enacted as follows:

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

- 28 1. Within thirty days of completion of the transaction, any issuer of securities in receipt of
29 an investment from the legacy fund under paragraph 3 of subdivision a of subsection 3
30 of section 21-10-11 or under subdivision b of subsection 3 of section 21-10-11, as
31 created by section 4 of House Bill No. 1425 as approved by the sixty-seventh

1 legislative assembly, shall file electronically a notice on a form prescribed by the
2 commissioner and containing information as required by the commissioner.

3 2. The notice filing requirement under this section does not exempt the issuer from or
4 supersede any other provision of this chapter.

5 **SECTION 21. 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;
 - 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 or other funds, as
30 appropriated by the legislative assembly. If the moneys available from the clean
31 sustainable energy fund on June 30, 2025, are not sufficient to repay the line of credit,

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

8 **SECTION 22. AMENDMENT.** Section 54-44.1-18 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **54-44.1-18. Searchable database of expenditures.**

- 11 1. The director of the budget shall develop and make publicly available an aggregate and
12 searchable budget database website that includes the following information for the
13 biennium:
- 14 a. Each budget unit making expenditures.
 - 15 b. The amount of funds expended.
 - 16 c. The source of the funds expended.
 - 17 d. The budget program of the expenditure.
 - 18 e. Any other information determined relevant by the director of the budget.
- 19 2. The director of the budget shall include the name and city of the recipient of each
20 expenditure in the budget database website after the director has completed
21 implementation of a business intelligence component to the state's financial reporting
22 system.
- 23 3. The director of the budget may not include in the database any information that is
24 confidential or exempt under state or federal law.
- 25 4. The director of the budget may update the budget database website as new data
26 becomes available. Each state agency shall provide to the director of the budget any
27 data required to be included in the budget database website no later than thirty days
28 after the data becomes available to the agency.
- 29 5. By January first of each even-numbered year, the director of the budget shall add data
30 for the previous biennium to the budget database website. The director of the budget

1 shall ensure that all data added to the budget database website remains accessible to
2 the public for a minimum of ten years.

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

6 ~~7. The governing body of each political subdivision may submit the annual budget
7 adopted by the governing body to the director of the budget. The director of the budget
8 shall include on the office of management and budget website any information
9 submitted by a participating governing body of a political subdivision. The official who
10 submits the annual budget to the director of the budget may not submit any
11 information that is confidential under state or federal law. In lieu of submitting the
12 annual budget adopted by the governing body to the director, any participating
13 governing body may provide to the director a publicly accessible internet link on which
14 the annual budget adopted by the participating governing body is available.~~

15 **SECTION 23. AMENDMENT.** Section 54-44.4-07 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **54-44.4-07. Procurement of environmentally preferable products.**

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

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

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

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

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

1 **SECTION 24. AMENDMENT.** Section 54-44.4-08 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-44.4-08. Purchase of recycled paper products.**

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

9 **SECTION 25. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

- 15 1. The first two hundred million dollars into the state general fund;
- 16 2. The next two hundred million dollars into the tax relief fund;
- 17 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
18 amount that would bring the balance in the fund to more than the limit in section
19 54-27.2-01;
- 20 4. The next two hundred million dollars into the state general fund;
- 21 5. The next ten million dollars into the lignite research fund;
- 22 6. The next ~~fifteen~~twenty million dollars into the state disaster relief fund, but not in an
23 amount that would bring the unobligated balance in the fund to more than ~~fifteen~~twenty
24 million dollars;
- 25 7. ~~The next thirty million three hundred seventy-five thousand dollars, or the amount~~
26 ~~necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7,~~
27 ~~into the municipal infrastructure fund;~~
- 28 8. The next four hundred million dollars into the strategic investment and improvements
29 fund;
- 30 9. ~~An amount equal to the deposit under subsection 7 into the county and township~~
31 ~~infrastructure fund;~~

1 8. The next fifty-nine million seven hundred fifty thousand dollars, or the amount
2 necessary to provide for twice the amount of the distributions under subsection 2 of
3 section 57-51.1-07.7, into the funds designated for infrastructure development in
4 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty
5 percent deposited into the municipal infrastructure fund and fifty percent deposited into
6 the county and township infrastructure fund;

7 ~~10.9.~~ The next one hundred ~~sixty-nine~~seventy million two hundred fifty thousand dollars or
8 the amount necessary to provide a total of two hundred thirty million dollars into the
9 funds designated for infrastructure development in non-oil-producing counties under
10 sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal
11 infrastructure fund and fifty percent deposited into the county and township
12 infrastructure fund;

13 ~~11.10.~~ The next twenty million dollars into the airport infrastructure fund; and

14 ~~12.11.~~ Any additional revenues into the strategic investment and improvements fund.

15 **SECTION 26. AMENDMENT.** Subsection 2 of section 57-51.1-07.7 of the North Dakota
16 Century Code is amended and reenacted as follows:

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

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

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

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

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

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

4 **SECTION 27. AMENDMENT.** Subsection 3 of section 57-51.1-07.7 of the North Dakota
5 Century Code is amended and reenacted as follows:

- 6 3. Within sixty days after the fund receives its statutory limit of oil and gas tax allocations
7 under section 57-51.1-07.5 or by September thirtieth of each odd-numbered year,
8 whichever is earlier, the state treasurer shall distribute the moneys in the fund as
9 grants to cities for essential infrastructure projects. The state treasurer shall distribute
10 the grants only if the fund balance is at least ten percent of the amount needed for
11 distributions under this subsection based on the following:

- 12 a. One hundred fifty dollars per person of the city's population.
- 13 b. In addition to the amounts in subdivision a, for a city with a positive average of
14 the annual percentage increase in population from three years prior, a dollar
15 amount equal to the product of the following:
- 16 (1) The amount calculated in subdivision a; and
- 17 (2) The average of the annual percentage increase in population from three
18 years prior, multiplied by ten.
- 19 c. In addition to the amounts in subdivisions a and b, for a city with a positive
20 average of the annual percentage increase in taxable property values from three
21 years prior, a dollar amount equal to the average of the annual property valuation
22 percentage increase for the three most recent years, multiplied by twenty-five
23 thousandths.
- 24 d. Grants may be distributed under this subdivision only if the grant distributions
25 under subsection 2 are completed. If the moneys in the fund are insufficient to
26 provide for the grants, the state treasurer shall distribute the grants under this
27 subsection on a pro rata basis. If any moneys remain in the fund after the
28 distribution of grants under this subsection, the state treasurer shall distribute any
29 remaining moneys in the fund in proportion to the combined total distributed to
30 each city under this section relative to the combined total distributed to all the
31 cities under this section.

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

4 f. For the purposes of determining taxable property values, the state treasurer shall
5 use the most recent data published by the tax commissioner in the tax levy
6 report.

7 **SECTION 28. AMENDMENT.** Subsection 2 of section 57-51.1-07.8 of the North Dakota
8 Century Code is amended and reenacted as follows:

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

15 **SECTION 29. REPEAL.** Section 54-06-25 of the North Dakota Century Code is repealed.

16 **SECTION 30. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
17 fiscal management division, as contained in section 1 of chapter 40 of the the 2019 Session
18 Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
19 appropriation are available for continued development and operating costs of the statewide
20 systems, including accounting, management, and payroll, during the biennium beginning July 1,
21 2021, and ending June 30, 2023.

22 **SECTION 31. EXEMPTION - STATE STUDENT INTERNSHIP PROGRAM.** The amount of
23 \$250,000 appropriated in section 1, identified in section 2, and transferred in section 8 of
24 chapter 40 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any
25 unexpended funds from this appropriation are available to the office of management and budget
26 for the state student internship program during the biennium beginning July 1, 2021, and ending
27 June 30, 2023.

28 **SECTION 32. EXEMPTION - ASSESSMENT OF STATE LANDS AND FACILITIES.** The
29 amount of \$500,000 appropriated from the strategic investment and improvements fund in
30 section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws is not subject to the
31 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to

1 the office of management and budget to continue the assessment of state lands and facilities
2 during the biennium beginning July 1, 2021, and ending June 30, 2023.

3 **SECTION 33. LEGISLATIVE MANAGEMENT STUDY - SPACE NEEDS AT STATE**

4 **CAPITOL.**

5 1. During the 2021-22 interim, the legislative management shall consider studying space
6 needs of the executive, judicial, and legislative branches at the state capitol. The study
7 must include:

8 a. A review of each branch's employee work location policies;

9 b. An assessment of the space needs of each branch to fulfill their constitutional
10 and statutory responsibilities;

11 c. An evaluation of state agency leases of space from private and other
12 governmental entities in Bismarck, amounts being paid for these leases, and
13 state agency rental payments being made to the office of management and
14 budget from special and federal funds;

15 d. Consideration of the feasibility and desirability of the office of management and
16 budget charging rent to agencies receiving funding from the general fund; and

17 e. The development of a space utilization plan for the capitol complex.

18 2. The legislative management shall report its findings and recommendations, together
19 with any legislation required to implement the recommendations, to the sixty-eighth
20 legislative assembly.

21 **SECTION 34. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE**

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

27 **SECTION 35. EMERGENCY.** Sections 3 and 5 of this Act and Senate Bill No. 2140, as
28 approved by the sixty-seventh legislative assembly, are declared to be an emergency measure.