

SENATE BILL NO. 2317

Introduced by

Senator Bell

Representative Porter

1 A BILL ~~for an Act to create and enact section 6-09-52 of the North Dakota Century Code,~~
2 ~~relating to a coal mine performance bonding pilot program and the authority of the Bank of~~
3 ~~North Dakota; and to provide for an energy development and transmission committee report.~~for
4 an Act to create and enact chapter 15-72 of the North Dakota Century Code, relating to the
5 establishment of a coal mine reclamation trust utilizing private assets; and to provide for a
6 transfer.

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

8 ~~**SECTION 1.** Section 6-09-52 of the North Dakota Century Code is created and enacted as~~
9 ~~follows:~~

10 ~~**6-09-52. Coal mine performance bonding pilot program -- Report.**~~

11 ~~1. The Bank of North Dakota shall establish a pilot program to provide support for coal~~
12 ~~mining performance bonding, restoration, and followup support services.~~

13 ~~2. The Bank of North Dakota may adopt policies and establish guidelines to administer~~
14 ~~the pilot program in accordance with this section. The Bank also may adopt policies~~
15 ~~allowing participation in the pilot program by local financial institutions.~~

16 ~~3. The Bank of North Dakota shall report to the energy development and transmission~~
17 ~~committee by September 1, 2022, regarding the results of the pilot program.~~

18 **SECTION 1.** Chapter 15-72 of the North Dakota Century Code is created and enacted as
19 follows:

20 **15-72-01. Trust establishment.**

21 The coal mine reclamation trust is established to reclaim coal mines at the direction of the
22 public service commission by utilizing private assets pledged as collateral to fulfill the
23 performance bond obligations under section 38-14.1-16 and North Dakota Administrative Code.

1 chapter 69-05.2-12. The coal mine reclamation trust may be used to fulfill the requirement of a
2 qualified third party.

3 **15-72-02. Powers and duties of the board - Transfer.**

4 The board of university and school lands shall set up a coal mine reclamation trust. The
5 coal mine reclamation trust may receive and accept assets as directed by the public service
6 commission which are held in the public service commission's custody under North Dakota
7 Administrative Code section 69-05.2-12-04 as collateral in a security agreement with any
8 person as defined in section 38-14.1-02. The commissioner of university and school lands shall
9 consult with the public service commission in carrying out the powers and duties of
10 administering the coal mine reclamation trust.

11 **15-72-03. Assets and custody.**

12 Any person proposing to pledge assets to the public service commission's custody under
13 North Dakota Administrative Code chapter 69-05.2-12 shall certify to the public service
14 commission:

15 1. The trust will have first priority security interest in the pledged assets.

16 2. The person has authority to place the assets in custody under all applicable federal
17 and state law.

18 **15-72-04. Trust management.**

19 The net income derived from the assets held in trust must be used for trust purposes. Any
20 assets placed in the trust may be sold, leased, invested, managed, or otherwise disposed of by
21 the board to fulfill the reclamation activities and obligations related to the performance bond. If
22 any of the trust assets include real property, net income from the trust assets must be used in
23 part to pay to the county where the real property is located the same amount that would have
24 been assessed against the real property for real property taxes if the real property was privately
25 owned. The board may maintain separate accounts in the trust if necessary. The board shall
26 manage all assets in the trust in the same manner that the board manages the board's other
27 trust assets or as otherwise may be required to satisfy the purposes of this chapter.