

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

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

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
10 Salaries and wages	\$21,903,816	\$893,187	\$22,797,003
11 Operating expenses	14,937,426	492,702	15,430,128
12 Emergency commission contingency fund	500,000	(100,000)	400,000
13 Capital assets	767,125	4,767,494	5,534,619
14 Grants	54,000	(54,000)	0
15 Guardianship grants	1,950,000	100,000	2,050,000
16 Prairie public broadcasting	1,200,000	(400,000)	800,000
17 Community service supervision grants	350,000	(100,000)	250,000
18 State student internship program	0	100,000	100,000
19 Total all funds	\$41,662,367	\$5,699,383	\$47,361,750
20 Less estimated income	8,746,515	5,506,391	14,252,906
21 Total general fund	\$32,915,852	\$192,992	\$33,108,844
22 Full-time equivalent positions	112.00	0.00	112.00
23 <u>Salaries and wages</u>	<u>\$21,903,816</u>	<u>\$23,163</u>	<u>\$21,926,979</u>
24 <u>Operating expenses</u>	<u>14,937,426</u>	<u>1,375,788</u>	<u>16,313,214</u>
25 <u>Emergency commission contingency fund</u>	<u>500,000</u>	<u>(100,000)</u>	<u>400,000</u>
26 <u>Capital assets</u>	<u>767,125</u>	<u>4,767,494</u>	<u>5,534,619</u>
27 <u>Grants</u>	<u>54,000</u>	<u>(54,000)</u>	<u>0</u>
28 <u>Guardianship grants</u>	<u>1,950,000</u>	<u>500,000</u>	<u>2,450,000</u>
29 <u>Prairie public broadcasting</u>	<u>1,200,000</u>	<u>0</u>	<u>1,200,000</u>
30 <u>Community service supervision grants</u>	<u>350,000</u>	<u>0</u>	<u>350,000</u>
31 <u>State student internship program</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>

1	<u>Total all funds</u>	<u>\$41,662,367</u>	<u>\$6,612,445</u>	<u>\$48,274,812</u>
2	<u>Less estimated income</u>	<u>8,746,515</u>	<u>5,501,898</u>	<u>14,248,413</u>
3	<u>Total general fund</u>	<u>\$32,915,852</u>	<u>\$1,110,547</u>	<u>\$34,026,399</u>
4	<u>Full-time equivalent positions</u>	<u>112.00</u>	<u>(4.00)</u>	<u>108.00</u>

5 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
6 **SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
7 items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the
8 2021-23 biennium one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
10	Extraordinary repairs	\$1,900,000	\$500,000
11	Capitol south entrance project	2,000,000	0
12	Special assessments on capitol grounds	320,000	300,000
13	Litigation funding pool	3,500,000	0
14	Assessment of state lands and facilities	500,000	0
15	Risk management technology project	170,000	0
16	State student internship program	250,000	100,000
17	Electronic procurement study	50,000	0
18	Facility consolidation study	0	350,000
19	Building automation project	0	518,800
20	Interior and exterior signage projects	0	500,000
21	Procurement software	0	2,021,204
22	Statewide budget software	0	<u>1,230,100</u>
23	Total all funds	\$8,690,000	\$5,520,104
24	Less estimated income	<u>8,390,000</u>	<u>5,420,104</u>
25	Total general fund	\$300,000	\$100,000

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

30 **SECTION 3. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND.** Any
31 moneys in the community service supervision fund under section 29-26-22 are appropriated to

1 the office of management and budget for distribution to community corrections association
2 regions on or before August first of each year during the ~~biennium beginning July 1, 2021~~ period
3 beginning with the effective date of this Act, and ending June 30, 2023.

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

6 1. a. Due to extraordinary flooding in 2020 in parts of the state and due to the
7 excessive cost of road maintenance, there is appropriated out of any moneys in
8 the state disaster relief fund in the state treasury, not otherwise appropriated, the
9 sum of ~~\$8,100,000~~ \$8,200,000, or so much of the sum as may be necessary, and
10 out of any moneys in the tax relief fund in the state treasury, not otherwise
11 appropriated, the sum of \$1,800,000, or so much of the sum as may be
12 necessary, to the state treasurer for the purpose of providing distributions to
13 non-oil-producing counties for the benefit of the organized and unorganized
14 townships within each non-oil-producing county, for the biennium beginning
15 July 1, 2021, and ending June 30, 2023.

16 b. In August 2021, the state treasurer shall distribute ~~\$8,100,000~~ \$10,000,000, or so
17 much of the sum as may be necessary, to non-oil-producing counties for the
18 benefit of the organized and unorganized townships within each
19 non-oil-producing county. The distribution to each non-oil-producing county must
20 provide for an equal allocation ~~of \$5,000~~ to each organized and unorganized
21 township within the county.

22 c. The amount allocated to organized townships under this ~~section~~ subsection must
23 be paid by the county treasurer to each organized township. The amount
24 allocated to unorganized townships under this ~~section~~ subsection must be
25 credited by the county treasurer to a special fund for unorganized township
26 roads.

27 d. The distributions under this ~~section~~ subsection must be used for the maintenance
28 and improvement of township paved and unpaved roads and bridges. A township
29 is not eligible for an allocation of funds under this ~~section~~ subsection if the
30 township does not maintain any township roads.

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

5 2. a. There is appropriated out of any moneys in the tax relief fund in the state
6 treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the
7 sum as may be necessary, to the state treasurer for the purpose of providing
8 distributions to non-oil-producing counties for the benefit of the organized and
9 unorganized townships within each non-oil-producing county, for the biennium
10 beginning July 1, 2021, and ending June 30, 2023.

11 b. In August 2021, the state treasurer shall distribute \$10,000,000, or so much of
12 the sum as may be necessary, to non-oil-producing counties for the benefit of the
13 organized and unorganized townships within each non-oil-producing county. The
14 distribution to each non-oil-producing county must provide for an allocation to
15 each organized and unorganized township that is proportional to the number of
16 township road miles in each organized and unorganized township relative to the
17 combined total township road miles in all the organized and unorganized
18 townships in all the non-oil-producing counties. The township road miles must be
19 based on certifications provided to the state treasurer using roadway mileage
20 criteria from the department of transportation.

21 c. The amount allocated to organized townships under this subsection must be paid
22 by the county treasurer to each organized township. The amount allocated to
23 unorganized townships under this subsection must be credited by the county
24 treasurer to a special fund for unorganized township roads.

25 d. The distributions under this subsection must be used for the maintenance and
26 improvement of township paved and unpaved roads and bridges.

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

SECTION 5. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF

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

SECTION 6. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS

FUND - MATCHING FUNDS - ONE-TIME FUNDING.

1. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of a statewide area career center initiative grant program for the period beginning with the effective date of this Act, and ending June 30, 2023. The department of career and technical education shall establish the application process and develop eligibility requirements for the grant program that must include:
 - a. Funding may be used only for career and technical education projects involving construction, addition, maintenance, and equipment for new and existing area career centers;
 - b. Grants awarded to each recipient must be at least \$500,000, but may not exceed \$10,000,000;
 - c. Grants may be awarded only to the extent a school district has secured matching funds from nonstate sources on a dollar-for-dollar basis;
 - d. An applicant identifying sufficient future nonstate sources of funding for ongoing operating and maintenance costs associated with a new or expanded area career center;
 - e. The application period for the grant program begins with the effective date of this Act and ends on June 30, 2022. Any funding not committed by December 31,

- 1 2022, may not be spent and must be canceled at the end of the 2021-23
2 biennium in accordance with section 54-44.1-11;
- 3 f. Preference must be given to school districts that collaborate with other school
4 districts for a regional area career center facility or to school districts to create a
5 new area career center or use an existing area career center to positively affect
6 that region of the state; and
- 7 g. Preference must be given to school districts that will promote postsecondary
8 education and workforce training education in conjunction with secondary
9 education.
- 10 2. There is appropriated from federal funds derived from the federal coronavirus capital
11 projects fund, not otherwise appropriated, the sum of \$5,900,000, or so much of the
12 sum as may be necessary, to the department of public instruction for the purpose of
13 providing a grant to an entity for the development of a children's science center for the
14 period beginning with the effective date of this Act, and ending June 30, 2023.
- 15 3. There is appropriated from federal funds derived from the federal coronavirus capital
16 projects fund, not otherwise appropriated, the sum of \$5,000,000, or so much of the
17 sum as may be necessary, to the university of North Dakota for the purpose of
18 reconstruction of the university's apron at the Grand Forks airport for the period
19 beginning with the effective date of this Act, and ending June 30, 2023.
- 20 4. There is appropriated from federal funds derived from the federal coronavirus capital
21 projects fund, not otherwise appropriated, the sum of \$4,000,000, or so much of the
22 sum as may be necessary, to Dickinson state university for the purpose of a Pulver
23 hall project, a meat processing laboratory remodel, and other projects for the period
24 beginning with the effective date of this Act, and ending June 30, 2023.
- 25 5. There is appropriated from federal funds derived from the federal coronavirus capital
26 projects fund, not otherwise appropriated, the sum of \$3,000,000, or so much of the
27 sum as may be necessary, to the highway patrol for the purpose of a law enforcement
28 training center remodel project for the period beginning with the effective date of this
29 Act, and ending June 30, 2023.
- 30 6. There is appropriated from federal funds derived from the federal coronavirus capital
31 projects fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum

1 as may be necessary, to the office of management and budget for the purpose of
2 providing a grant for the construction of a new medical center located in the county
3 seat of Griggs County for the period beginning with the effective date of this Act, and
4 ending June 30, 2023.

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

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

- 14 a. \$19,763,000 to the department of career and technical education;
- 15 b. \$11,716,400 to the parks and recreation department;
- 16 c. \$5,900,000 to the department of public instruction;
- 17 d. \$5,000,000 to the university of North Dakota;
- 18 e. \$4,200,000 to the state historical society;
- 19 f. \$4,000,000 to Dickinson state university;
- 20 g. \$3,000,000 to the highway patrol;
- 21 h. \$2,000,000 to the agriculture commissioner;
- 22 i. \$500,000 to the office of management and budget; and
- 23 j. \$157,600 to the judicial branch.

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

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

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

8 **SECTION 8. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA - ONE-TIME**

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

15 **SECTION 9. APPROPRIATION - MAYVILLE STATE UNIVERSITY - ONE-TIME FUNDING.**

16 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
17 appropriated, the sum of \$1,600,000, or so much of the sum as may be necessary, to Mayville
18 state university for a natural gas boiler project, for the period beginning with the effective date of
19 this Act, and ending June 30, 2023. The funding provided under this section is considered a
20 one-time funding item.

21 **SECTION 10. APPROPRIATION - DEPARTMENT OF COMMERCE - DISCRETIONARY**
22 **FUNDS - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in

23 the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as
24 may be necessary, to the department of commerce for the purpose of providing discretionary
25 funds, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is
26 considered a one-time funding item.

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

1 **SECTION 12. APPROPRIATION - JUDICIAL BRANCH - YOUTH CULTURAL**

2 **ACHIEVEMENT PROGRAMS.** There is appropriated out of any moneys in the general fund in
3 the state treasury, not otherwise appropriated, the sum of \$90,000, or so much of the sum as
4 may be necessary, to the judicial branch for youth cultural achievement programs, for the
5 biennium beginning July 1, 2021, and ending June 30, 2023.

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

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

15 2. There is appropriated out of any moneys in the highway fund, not otherwise
16 appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary,
17 to the department of transportation for the purpose of matching federal discretionary
18 funds received in excess of the regular federal funding amounts included in the
19 department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and
20 ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000
21 for matching federal funds for township road and bridge projects.

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

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

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

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

5 **SECTION 15. CONTINGENT APPROPRIATION - THEODORE ROOSEVELT**
6 **PRESIDENTIAL LIBRARY - LOAN REPAYMENT - ONE-TIME FUNDING.** Subject to the
7 provisions of this section, there is appropriated out of any moneys in the general fund in the
8 state treasury, not otherwise appropriated, the sum of \$17,500,000, or so much of the sum as
9 may be necessary, to the Bank of North Dakota for the purpose of repaying the loan authorized
10 in section 8 of chapter 26 of the 2019 Session Laws related to the Theodore Roosevelt
11 presidential library, for the biennium beginning July 1, 2021, and ending June 30, 2023. The
12 funding provided in this section is available only if the actual July 1, 2021, general fund balance
13 exceeds the legislative estimate made at the close of the 2021 legislative session by at least
14 \$17,500,000, as determined by the office of management and budget. This funding is
15 considered a one-time funding item.

16 **SECTION 16. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
17 **GENERAL FUND.** The office of management and budget shall transfer the sum of
18 \$410,000,000 from the strategic investment and improvements fund to the general fund during
19 the biennium beginning July 1, 2021, and ending June 30, 2023.

20 **SECTION 17. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
21 **CULTURAL ENDOWMENT FUND - INTENT.** The office of management and budget shall
22 transfer the sum of \$1,000,000 from the strategic investment and improvements fund to the
23 cultural endowment fund during the biennium beginning July 1, 2021, and ending June 30,
24 2023. It is the intent of the sixty-seventh legislative assembly that the council on the arts expend
25 up to \$50,000 annually from the cultural endowment fund pursuant to the appropriation authority
26 provided in section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance
27 of the public arts projects constructed as part of the North Dakota creative placemaking
28 program. It is further the intent of the legislative assembly that the council on the arts continue
29 to expend \$50,000 annually from the cultural endowment fund for the maintenance of the public
30 arts projects constructed as part of the North Dakota creative placemaking program until the

1 moneys derived from the strategic investment and improvements fund transfer authorized under
2 this section and deposited in the fund have been fully expended.

3 **SECTION 18. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND.**

4 The office of management and budget shall transfer the sum of ~~\$187,385,888~~\$187,223,092
5 from the tax relief fund to the human service finance fund during the biennium beginning July 1,
6 2021, and ending June 30, 2023.

7 **SECTION 19. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO**

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

12 **SECTION 20. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING**

13 **FUND.** The estimated income line item in section 1 of this Act includes ~~\$2,268,800~~\$2,168,800
14 of one-time funding from the capitol building fund. Of the ~~\$2,268,800~~\$2,168,800, \$350,000 in
15 the operating expenses line item is for a facility consolidation study, \$300,000 in the operating
16 expenses line item is for special assessments associated with the capitol grounds,
17 ~~\$600,000~~\$500,000 in the capital assets line item is for extraordinary repairs, \$518,800 in the
18 capital assets line item is for a building automation project, and \$500,000 in the capital assets
19 line item is for interior and exterior signage.

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

21 **AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes
22 \$3,251,304 from the strategic investment and improvements fund. Of the \$3,251,304,
23 \$2,021,204 in the capital assets line item is for procurement software, and \$1,230,100 in the
24 capital assets line item is for budget software.

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

27 Unemployment insurance	\$2,000,000
28 Capitol grounds planning commission	\$25,000
29 Statewide memberships and related expenses	\$625,064
30 <u>Statewide memberships and related expenses</u>	<u>\$642,089</u>

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

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

- 14 1. The 2021-23 biennium compensation adjustments for permanent state employees are
15 to average 1.5 percent with a minimum of \$100 per month ~~and a maximum of \$250~~
16 ~~per month~~ per eligible employee for ~~each~~the first fiscal year of the biennium and are to
17 average 2 percent per eligible employee for the second year of the biennium. The
18 increases for the first year of the biennium are to be given beginning with the month of
19 July 2021, to be paid in August 2021, and for the second year of the biennium are to
20 be given beginning with the month of July 2022, to be paid in August 2022. Except for
21 minimum ~~and maximum~~ amounts, increases for eligible state employees are to be
22 based on documented performance and are not to be the same percentage increase
23 for each employee.
- 24 2. The office of management and budget shall develop guidelines for use by state
25 agencies for providing compensation adjustments for classified state employees. The
26 guidelines must follow the compensation philosophy statement under section
27 54-44.3-01.2.
- 28 3. Probationary employees are not entitled to the increases. However, at the discretion of
29 the appointing authority, probationary employees may be given all or a portion of the
30 increases effective in July, paid in August, or upon completion of probation. Employees

1 whose overall documented performance level does not meet standards are not eligible
2 for any salary increase.

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

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

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

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

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

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

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

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

15 The director may enter into cooperative agreements with any transferee under section
16 54-27-19 or any federal agency operating a national park and may expend highway fund
17 moneys pursuant to legislative appropriations to match federal funds for the purposes of
18 providing assistance with the assessment, design, and construction of projects to improve the
19 safety and mobility of people or goods in the state.

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

23 **54-09-05. Salary of secretary of state.**

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

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

30 **Definitions.**

31 As used in this chapter:

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

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

12 There is created the clean sustainable energy authority to support research, development,
13 and technological advancements through partnerships and financial support for the large scale
14 development and commercialization of projects, processes, activities, and technologies that
15 reduce environmental impacts and increase sustainability of energy production and delivery.
16 The purpose of the financial support is to enhance the production of clean sustainable energy,
17 to make the state a world leader in the production of clean sustainable energy, and to diversify
18 and grow the state's economy.

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

- 20 1. The clean sustainable energy authority consists of sixteen members, including eight
- 21 voting members and eight nonvoting technical advisors.
- 22 2. The eight voting members consist of:
 - 23 a. One member appointed by the legislative management to serve as chairman;
 - 24 b. Two members appointed by the lignite research council;
 - 25 c. Two members appointed by the oil and gas research council;
 - 26 d. Two members appointed by the renewable energy council; and
 - 27 e. One member appointed by the western Dakota energy association.
- 28 3. The eight nonvoting technical advisors consist of:
 - 29 a. One member appointed by the North Dakota outdoor heritage fund advisory
 - 30 board;
 - 31 b. The commissioner of commerce or the commissioner's designee;

- 1 c. The director of the department of environmental quality or the director's designee;
 - 2 d. The director of mineral resources or the director's designee;
 - 3 e. The director of the North Dakota pipeline authority or the director's designee;
 - 4 f. The director of the North Dakota transmission authority or the director's designee;
 - 5 g. The director of the state energy research center or the director's designee; and
 - 6 h. The president of the Bank of North Dakota or the president's designee;.
- 7 4. The term of office for the chairman is two years. The term of office for the other voting
 - 8 members is four years, and the other voting members may not serve more than two
 - 9 consecutive terms. The terms of office for the voting members commence on July first.
 - 10 The initial terms for the voting members of the authority must be staggered following a
 - 11 method determined by the authority.
 - 12 5. The authority shall meet at least semiannually. The chairman shall call a meeting upon
 - 13 written request from three voting members of the authority. Five voting members is a
 - 14 quorum at any meeting.
 - 15 6. The authority may not forward a recommendation to the commission unless the
 - 16 recommendation fulfills the purposes of this chapter and is approved by a majority of
 - 17 the voting members of the authority.

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

- 19 1. The authority shall make recommendations to the commission for program guidelines,
- 20 including eligibility criteria for entities to receive funding under this chapter.
- 21 2. The nonvoting technical advisors shall develop a process to review and evaluate
- 22 projects to determine the technical merits and feasibility of any application, including
- 23 potential benefits of the development of low-emission technology, the expansion of the
- 24 development of the state's natural resources or energy production, and the
- 25 contribution to the economic diversity in the state.
- 26 3. The authority may develop a loan program or a loan guarantee program under the
- 27 clean sustainable energy fund. The Bank of North Dakota shall administer the loan
- 28 program or loan guarantee program. The interest rate of a loan under this program
- 29 may not exceed two percent per year. The maximum term of a loan under this section
- 30 must be approved by the commission based on a recommendation from the authority.
- 31 The Bank shall review applications for loans or loan guarantees and shall consider the

1 business plan, financial statements, and other information necessary to evaluate the
2 application. To be eligible for a loan or loan guarantee, an entity shall agree to provide
3 the Bank of North Dakota with information as requested. The Bank of North Dakota
4 may develop policies for loan participation with local financial institutions.

- 5 4. The authority shall make recommendations to the commission for grant awards, loan
6 approvals, or other financial assistance to provide funding to support research,
7 development, and technological advancements for the large scale development and
8 commercialization of projects, processes, activities, and technologies that reduce
9 environmental impacts and increase sustainability of energy production and delivery in
10 accordance with this chapter. Any projects, processes, activities, and technologies
11 selected by the commission for funding must have been recommended by the
12 authority, must demonstrate feasibility based on a technical review conducted by the
13 nonvoting technical advisors of the authority, must have other sources of financial
14 support, and must achieve the priorities and purposes of the program. At the request
15 of the authority, the Bank of North Dakota shall provide a recommendation regarding
16 the economic feasibility of a project, process, activity, or technology under
17 consideration by the authority. The Bank shall review the business plan, financial
18 statements, and other information necessary to provide a recommendation.
- 19 5. The authority may consult with any other state agency necessary to carry out the
20 purposes under this chapter.
- 21 6. Each biennium, the authority shall provide a written report to the legislative
22 management regarding its activities and the program's financial impact on state
23 revenues and the state's economy.

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

- 25 1. The commission is granted all the powers necessary to carry out the purposes of this
26 chapter, including the power to:
- 27 a. Provide grants, loans, or other forms of financial assistance to qualified entities
28 for the research, demonstration, development, and commercialization of projects,
29 processes, activities, and technologies that reduce environmental impacts and
30 use energy sources derived from within the state. Other forms of financial
31 assistance include venture capital investments and interest rate buydowns. The

1 commission must require an entity to provide assurance of financial and other
2 types of support that demonstrate a commitment to the project, process, activity,
3 or technology. The commission may develop policies for the approval of loans or
4 loan guarantees issued from the clean sustainable energy fund.

5 b. Enter into contracts or agreements to carry out the purposes of this chapter,
6 including contracting for the administration of the program.

7 c. Keep accurate records of all financial transactions performed under this chapter.

8 d. Cooperate with any private, local, state, or national organization to make
9 contracts and agreements for programs that advance the mission of the program.

10 e. Accept loan repayments, donations, grants, contributions, or gifts from any public
11 or private source to carry out the purposes of this chapter, which must be
12 deposited in the clean sustainable energy fund.

13 f. Make guidelines necessary to carry out the purposes of this chapter, including
14 guidelines relating to the ownership of intellectual property.

15 g. Borrow from the Bank of North Dakota, as authorized by the legislative assembly,
16 to make loans or loan guarantees under a loan program or loan guarantee
17 program developed by the clean sustainable energy authority.

18 2. The commission may acquire, purchase, hold, use, lease, license, sell, transfer, or
19 dispose of any interest in an asset necessary for clean sustainable energy technology
20 development to facilitate the production, transportation, distribution, or delivery of
21 clean energy commodities produced in the state as a purchases of last resort.

22 3. The commission shall provide administrative support to the authority for the operation
23 of the program, including the preparation of forms, review of applications, and ongoing
24 review of any contracts. The commission may contract with a public or private entity to
25 provide technical assistance necessary to implement the purposes of this chapter.

26 4. The commission is not subject to the reporting requirements under chapter 54-60.1.

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

28 1. To the extent the commission or authority determines the materials or data consist of
29 trade secrets or commercial, financial, or proprietary information of individuals or
30 entities applying to or contracting with the commission or receiving commission
31 services under this chapter, materials and data submitted to, made by, or received by

1 the commission or authority, are not public records subject to section 44-04-18 and
2 section 6 of article XI of the Constitution of North Dakota, and are subject to section
3 44-04-18.4.

4 2. A person or entity may file a request with the commission to have material designated
5 as confidential under subsection 1. The request must contain any information required
6 by the commission and must include at least the following:

7 a. A general description of the nature of the information sought to be protected.

8 b. An explanation of why the information derives independent economic value,
9 actual or potential, from not being generally known to other persons.

10 c. An explanation of why the information is not readily ascertainable by proper
11 means of other persons.

12 d. A general description of any person that may obtain economic value from
13 disclosure or use of the information, and how the person may obtain this value.

14 e. A description of the efforts used to maintain the secrecy of the information.

15 3. Any request under subsection 2 is confidential. The commission shall examine the
16 request and determine whether the information is relevant to the matter at hand and is
17 a trade secret under the definition in section 47-25.1-01 or 44-04-18.4. If the
18 commission determines the information is either not relevant or not a trade secret, the
19 commission shall notify the requester and the requester may ask for the return of the
20 information and the request within ten days of the notice. If no return is sought, the
21 information and request are public record.

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

26 **Clean sustainable energy fund - Continuing appropriation - Line of credit - Loans -**
27 **Repayments.**

28 1. There is created in the state treasury the clean sustainable energy fund. The fund
29 consists of all moneys transferred to the fund by the legislative assembly; loan
30 proceeds; interest upon moneys in the fund; principal and interest payments to the
31 fund; and donations, grants, and other contributions received by the commission for

1 deposit in the fund. All moneys in the fund are appropriated to the commission on a
2 continuing basis to provide grants, loans, and other financial assistance and for
3 administrative and operating costs of the authority and program pursuant to the
4 provisions under this chapter.

- 5 2. Any bond proceeds deposited in the fund must be used for loans or loan guarantees.
6 The Bank of North Dakota shall deposit in the fund all principal and interest paid on
7 the loans made from the fund. The Bank may use a portion of the interest paid on the
8 outstanding loans as a servicing fee to pay for administrative costs, not to exceed
9 one-half of one percent of the amount of the interest payment. The Bank shall contract
10 with a certified public accounting firm to audit the fund annually if the fund has any
11 outstanding loans. The cost of the audit must be paid from the fund.

- 12 3. The Bank of North Dakota shall extend a line of credit to the industrial commission to
13 support loans or loan guarantees issued from the clean sustainable energy fund. The
14 line of credit may not exceed two hundred fifty million dollars, and the interest rate
15 associated with the line of credit must be the prevailing interest rate charged to North
16 Dakota governmental entities. The industrial commission shall repay the line of credit
17 from moneys available in the clean sustainable energy fund derived from payments
18 received on loans issued under this chapter or other sources. If the moneys available
19 from the clean sustainable energy fund on June 30, 2025, are not sufficient to repay
20 the line of credit, the industrial commission shall request from the legislative assembly
21 a deficiency appropriation to repay the line of credit or the industrial commission may
22 repay the line of credit from other funds, as appropriated by the legislative assembly.

- 23 4. The industrial commission may access the line of credit to the extent needed through
24 June 30, 2025, to provide funding as authorized by the legislative assembly to support
25 loans or loan guarantees issued from the clean sustainable energy fund. Any moneys
26 borrowed from the Bank of North Dakota pursuant to this section must be transferred
27 to the clean sustainable energy fund to support loans or loan guarantees.

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

30 Shall prepare and submit a quarterly report to the legislative management of each
31 executive branch agency that gives any full-time state employee salary increases

between April 1, 2021, and June 30, 2023, which cumulatively are fifteen percent or more over the employee's base salary as of March 31, 2021. The report must include the name of each employee receiving the increase and any relevant salary information.

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

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

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

54-44.1-18. Searchable database of expenditures.

1. The director of the budget shall develop and make publicly available an aggregate and searchable budget database website that includes the following information for the biennium:
 - a. Each budget unit making expenditures.
 - b. The amount of funds expended.
 - c. The source of the funds expended.
 - d. The budget program of the expenditure.
 - e. Any other information determined relevant by the director of the budget.
2. The director of the budget shall include the name and city of the recipient of each expenditure in the budget database website after the director has completed implementation of a business intelligence component to the state's financial reporting system.

- 1 3. The director of the budget may not include in the database any information that is
2 confidential or exempt under state or federal law.
- 3 4. The director of the budget may update the budget database website as new data
4 becomes available. Each state agency shall provide to the director of the budget any
5 data required to be included in the budget database website no later than thirty days
6 after the data becomes available to the agency.
- 7 5. By January first of each even-numbered year, the director of the budget shall add data
8 for the previous biennium to the budget database website. The director of the budget
9 shall ensure that all data added to the budget database website remains accessible to
10 the public for a minimum of ten years.
- 11 6. The budget database website may not redirect users to any other government
12 website, unless the website has information from all budget units and each category of
13 information required can be searched electronically by field in a single search.
- 14 ~~7. The governing body of each political subdivision may submit the annual budget
15 adopted by the governing body to the director of the budget. The director of the budget
16 shall include on the office of management and budget website any information
17 submitted by a participating governing body of a political subdivision. The official who
18 submits the annual budget to the director of the budget may not submit any
19 information that is confidential under state or federal law. In lieu of submitting the
20 annual budget adopted by the governing body to the director, any participating
21 governing body may provide to the director a publicly accessible internet link on which
22 the annual budget adopted by the participating governing body is available.~~

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

25 **54-44.4-07. Procurement of environmentally preferable products.**

- 26 1. The office of management and budget, the institutions of higher education, and any
27 other state agency or institution that has authority to purchase products are
28 encouraged to purchase environmentally preferable products.
 - 29 a. ~~Where~~When practicable, specifications for purchasing newsprint printing services
30 should specify the use of soybean-based ink. The North Dakota soybean council
31 and the agriculture commissioner shall assist the office of management and

1 budget in locating suppliers of soybean-based inks and in collecting data on the
2 purchase of soybean-based inks.

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

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

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

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

10 **54-44.4-08. Purchase of recycled paper products.**

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

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

18 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

22 1. The first two hundred million dollars into the state general fund;

23 2. The next two hundred million dollars into the tax relief fund;

24 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
25 amount that would bring the balance in the fund to more than the limit in section
26 54-27.2-01;

27 4. The next two hundred million dollars into the state general fund;

28 5. The next ten million dollars into the lignite research fund;

29 6. The next ~~fifteen~~twenty million dollars into the state disaster relief fund, but not in an
30 amount that would bring the unobligated balance in the fund to more than ~~fifteen~~twenty
31 million dollars;

- 1 7. ~~The next thirty million three hundred seventy-five thousand dollars, or the amount~~
2 ~~necessary to provide for the distributions under subsection 2 of section 57-51.1-07.7,~~
3 ~~into the municipal infrastructure fund;~~
- 4 8. The next four hundred million dollars into the strategic investment and improvements
5 fund;
- 6 9. ~~An amount equal to the deposit under subsection 7 into the county and township~~
7 ~~infrastructure fund;~~
- 8 8. The next fifty-nine million seven hundred fifty thousand dollars, or the amount
9 necessary to provide for twice the amount of the distributions under subsection 2 of
10 section 57-51.1-07.7, into the funds designated for infrastructure development in
11 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty
12 percent deposited into the municipal infrastructure fund and fifty percent deposited into
13 the county and township infrastructure fund;
- 14 ~~10.9.~~ The next one hundred ~~sixty-nine~~seventy million two hundred fifty thousand dollars or
15 the amount necessary to provide a total of two hundred thirty million dollars into the
16 funds designated for infrastructure development in non-oil-producing counties under
17 sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal
18 infrastructure fund and fifty percent deposited into the county and township
19 infrastructure fund;
- 20 ~~11.10.~~ The next twenty million dollars into the airport infrastructure fund; and
- 21 ~~11.11.~~ Any additional revenues into the strategic investment and improvements fund.

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

- 24 2. Within forty days after the fund balance is greater than or equal to the amount needed
25 for the grants under this subsection or by September thirtieth of each odd-numbered
26 year, whichever is earlier, the state treasurer shall distribute moneys in the fund as
27 grants to cities for essential infrastructure projects. The state treasurer shall distribute
28 the grants only if the fund balance is at least ten percent of the amount needed for
29 distributions under this subsection based on the following:
- 30 a. Two million five hundred thousand dollars to each city with a population of at
31 least five thousand;

- 1 b. Five hundred thousand dollars to each city with a population of at least two
- 2 thousand but less than five thousand; and
- 3 c. One hundred twenty-five thousand dollars to each city with a population of at
- 4 least one thousand but less than two thousand.
- 5 d. If, at the time of the distributions, the moneys in the fund are less than the
- 6 amount needed for the grants under this subsection, the state treasurer shall
- 7 distribute the grants under this subsection on a pro rata basis.
- 8 e. For the purposes of determining the city's population under this subsection, the
- 9 state treasurer shall use the most recent actual or estimated census data
- 10 published by the United States census bureau.

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

- 13 3. Within sixty days after the fund receives its statutory limit of oil and gas tax allocations
- 14 under section 57-51.1-07.5 or by September thirtieth of each odd-numbered year,
- 15 whichever is earlier, the state treasurer shall distribute the moneys in the fund as
- 16 grants to cities for essential infrastructure projects. The state treasurer shall distribute
- 17 the grants only if the fund balance is at least ten percent of the amount needed for
- 18 distributions under this subsection based on the following:
- 19 a. One hundred fifty dollars per person of the city's population.
- 20 b. In addition to the amounts in subdivision a, for a city with a positive average of
- 21 the annual percentage increase in population from three years prior, a dollar
- 22 amount equal to the product of the following:
- 23 (1) The amount calculated in subdivision a; and
- 24 (2) The average of the annual percentage increase in population from three
- 25 years prior, multiplied by ten.
- 26 c. In addition to the amounts in subdivisions a and b, for a city with a positive
- 27 average of the annual percentage increase in taxable property values from three
- 28 years prior, a dollar amount equal to the average of the annual property valuation
- 29 percentage increase for the three most recent years, multiplied by twenty-five
- 30 thousandths.

- 1 d. Grants may be distributed under this subdivision only if the grant distributions
2 under subsection 2 are completed. If the moneys in the fund are insufficient to
3 provide for the grants, the state treasurer shall distribute the grants under this
4 subsection on a pro rata basis. If any moneys remain in the fund after the
5 distribution of grants under this subsection, the state treasurer shall distribute any
6 remaining moneys in the fund in proportion to the combined total distributed to
7 each city under this section relative to the combined total distributed to all the
8 cities under this section.
- 9 e. For the purposes of determining the city's population under this subsection, the
10 state treasurer shall use the most recent actual or estimated census data
11 published by the United States census bureau.
- 12 f. For the purposes of determining taxable property values, the state treasurer shall
13 use the most recent data published by the tax commissioner in the tax levy
14 report.

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

- 17 2. Within sixty days after the fund receives its statutory limit of oil and gas tax allocations
18 under section 57-51.1-07.5 or by September thirtieth of each odd-numbered year,
19 whichever is earlier, the state treasurer shall distribute moneys in the fund as grants to
20 counties for road and bridge 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 section.

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

24 **SECTION 40. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the
25 fiscal management division, as contained in section 1 of chapter 40 of the the 2019 Session
26 Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
27 appropriation are available for continued development and operating costs of the statewide
28 systems, including accounting, management, and payroll, during the biennium beginning July 1,
29 2021, and ending June 30, 2023.

30 **SECTION 41. EXEMPTION - STATE STUDENT INTERNSHIP PROGRAM.** The amount of
31 \$250,000 appropriated in section 1, identified in section 2, and transferred in section 8 of

1 chapter 40 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any
2 unexpended funds from this appropriation are available to the office of management and budget
3 for the state student internship program during the biennium beginning July 1, 2021, and ending
4 June 30, 2023.

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

11 **SECTION 43. LEGISLATIVE MANAGEMENT STUDY - SPACE NEEDS AT STATE**
12 **CAPITOL.**

- 13 1. During the 2021-22 interim, the legislative management shall consider studying space
14 needs of the executive, judicial, and legislative branches at the state capitol. The study
15 must include:
- 16 a. A review of each branch's employee work location policies;
 - 17 b. An assessment of the space needs of each branch to fulfill their constitutional
18 and statutory responsibilities;
 - 19 c. An evaluation of state agency leases of space from private and other
20 governmental entities in Bismarck, amounts being paid for these leases, and
21 state agency rental payments being made to the office of management and
22 budget from special and federal funds;
 - 23 d. Consideration of the feasibility and desirability of the office of management and
24 budget charging rent to agencies receiving funding from the general fund; and
 - 25 e. The development of a space utilization plan for the capitol complex.
- 26 2. The legislative management shall report its findings and recommendations, together
27 with any legislation required to implement the recommendations, to the sixty-eighth
28 legislative assembly.

29 **SECTION 44. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE**
30 **COMPENSATION.** During the 2021-22 interim, the legislative management shall consider
31 studying the classified state employee compensation system, including a review of the

1 development and determination of pay grades and classifications. The legislative management
2 shall report its findings and recommendations, together with any legislation required to
3 implement the recommendations, to the sixty-eighth legislative assembly.

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

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

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

- 13 1. Sections 3, 6, 9, and 13 of this Act;
- 14 2. Section 3 of House Bill No. 1349, as approved by the sixty-seventh legislative
15 assembly;
- 16 3. \$12,000,000 appropriated from the federal coronavirus relief fund, of which
17 \$6,565,432 is in the operating expenses line item and \$5,434,568 is in the grants line
18 item in section 1 and identified in sections 2 and 8 of Senate Bill No. 2018, as
19 approved by the sixty-seventh legislative assembly;
- 20 4. \$100,000 appropriated from the general fund for a motion picture production and
21 recruitment grant in the grants line item in section 1 and identified in section 2 of
22 Senate Bill No. 2018, as approved by the sixty-seventh legislative assembly;
- 23 5. Senate Bill No. 2140, as approved by the sixty-seventh legislative assembly; and
- 24 6. Senate Bill No. 2317, as approved by the sixty-seventh legislative assembly.