

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

HOUSE BILL NO. 1024
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide appropriations for defraying the expenses of various state departments and institutions; to provide a contingent appropriation; to amend and reenact section 4 of chapter 552 of the 2015 Session Laws, relating to Bank of North Dakota transfers to the state general fund; to provide for borrowing authority; to provide for transfers; to provide statements of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM. There is appropriated out of any moneys in the strategic investment and improvements fund, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the special fund authority enacted by the sixty-fourth legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning with the effective date of this Act, and ending June 30, 2017, as follows:

Subdivision 1.

STATE TREASURER

Property tax relief credits	<u>\$8,100,000</u>
Total special funds	\$8,100,000

Subdivision 2.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	\$189,000

Subdivision 3.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$250,000</u>
Total special funds	\$250,000

Subdivision 4.

DEPARTMENT OF HUMAN SERVICES

Grants - Medical assistance	<u>\$9,000,000</u>
Total special funds	\$9,000,000

Subdivision 5.

ADJUTANT GENERAL

Disaster costs	<u>\$79,500</u>
Total special funds	\$79,500

Subdivision 6.

STATE HISTORICAL SOCIETY

Litigation expenses	<u>\$50,000</u>
Total special funds	<u>\$50,000</u>

SECTION 1 TOTAL

Grand total special funds	\$17,668,500
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SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	<u>\$200,000</u>

Subdivision 2.

JUDICIAL BRANCH

Pipeline protest trials	<u>\$1,500,000</u>
Total special funds	<u>\$1,500,000</u>

Subdivision 3.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Pipeline protest trials	<u>\$1,027,000</u>
Total special funds	<u>\$1,027,000</u>

Subdivision 4.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	<u>\$1,420,000</u>

Subdivision 5.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	<u>\$3,234,000</u>

Subdivision 6.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	<u>\$500,000</u>

Subdivision 7.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 8.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 9.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$9,213,724
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SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$10,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from the federal government related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline.

SECTION 4. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,872,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing any court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement approved by order of the court, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota or pursuant to the terms of a settlement agreement approved by order of the court. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 6. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the legislative assembly that provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

SECTION 8. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that:

1. The department of emergency services and the governor accept reimbursement in the form of land, cash, or other assets from nonstate sources for state costs incurred relating to unlawful activity associated with the construction of the Dakota access pipeline.
2. Any reimbursements received be used to repay the Bank of North Dakota loans authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline.
3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans.

SECTION 9. AMENDMENT. Section 4 of chapter 552 of the 2015 Session Laws is amended and reenacted as follows:

SECTION 4. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. ~~If, during~~During the period beginning with the effective date of this Act and ending June 30, 2017, ~~the director of the office of management and budget determines the state general fund will not have a projected positive June 30, 2017, balance,~~ the industrial commission shall transfer \$100,000,000, ~~or so much of the sum as may be necessary,~~ from the earnings and accumulated and undivided profits of the Bank of North Dakota to the state general fund. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. ~~The sum of the amounts transferred may not exceed the lesser of \$100,000,000 or the amount necessary to provide for a positive June 30, 2017, general fund balance.~~

SECTION 10. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1024 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 85 Nays 5 Absent 4

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 45 Nays 2 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,
at _____ o'clock _____ M.

Secretary of State