

Minutes of the  
**EMPOWER NORTH DAKOTA COMMISSION**

August 16<sup>th</sup>, 2012  
Bank of ND  
1200 Memorial Hwy  
Bismarck, ND 58503

**Members present:**

Al Anderson, Ron Day, Dale Niezwaag, Mike Rud, Randy Schneider, Andrea Stomberg, Sandi Tabor, John Weeda

**Ex Officio Members:**

Julie Voeck, proxy for John DiDonato

**Members present via phone:**

Dave Schmitz

**Members absent:**

Eric Mack, Terry Goerger, Ron Ness, Mark Nisbet, David Straley

**Others present:**

Justin Dever, Department of Commerce  
Mike Fladeland, Department of Commerce  
Sherri Frieze, Department of Commerce  
Zac Weis, Department of Commerce  
Karlene Fine, Industrial Commission  
Deana Wiese, ND Ethanol Council  
Todd Kranda, Kelsch, Kelsch, Ruff & Kranda Law Firm  
John Olson, NextEra

**CALL TO ORDER/WELCOME**

Chairman Anderson called the meeting to order at 10:00 a.m. and welcomed Commission members and guests.

**APPROVAL OF MINUTES**

A motion was made by Schneider and seconded by Day to approve the minutes of July 17<sup>th</sup>, 2012. Motion carried unanimously.

**Review & Approve Legislative Recommendations to be presented to the Energy Development & Transmission Committee**

Chairman Anderson asked the members to look over the list of 19 recommendations that were compiled from the Energy Policy Draft Report. Recommendations categorized as 1's were discussed. Those recommendations would then be presented to the Energy Development & Transmission (ED & T) Committee on August 28<sup>th</sup> in Grand Forks, ND.

Day commented that recommendation #7 on the spreadsheet is a major roadblock for the refinery. Chairman Anderson commented that he would invite Todd Sando of the State Water Commission to speak at the next EmPower ND Commission meeting in September.

A copy of the spreadsheet is attached as Appendix A

**Recommendation #3 on the spreadsheet refers to the drafted bill below:**

**Bill to amend and reenact subsection 3 of section 54-17-07.3 and sections 54-17-40, 54-17-41, 57-35.3-05 and 57-38-01.32 of the NDCC relating to multifamily housing finance program.**

Karlene Fine, Industrial Commission, discussed the amendments for Sections 1 – 6. Discussion ensued about the language in Section 1, Line 2. In response to a question on the length of the revolving fund; Fine commented that she would check into the dollar amount and get back to the members.

**It was moved by Tabor, seconded by Schneider, and carried on a voice vote to recognize that the bill needs more discussion, but authorization was given to the Chair to present the bill to the ED & T committee.**

A copy of the drafted bill is attached as Appendix B

**Recommendation #12 on the spreadsheet refers to the drafted bill below:**

**Bill for an act to provide an appropriation to Job Service North Dakota for the purpose of upgrading collection and use of employment data for jobs tied to the oil & gas industry.**

Justin Dever, ND Department of Commerce introduced the bill and members discussed the language. No changes were made.

**It was moved by Stomberg, seconded by Tabor and carried on a voice vote to present the bill to the ED & T committee.**

A copy of the drafted bill is attached at Appendix C

**Recommendation #14 on the spreadsheet refers to the drafted bill below:**

## ADJOURNMENT

**Bill to amend and reenact section 57-51.1-07 of the NDCC relating to the resources trust fund.**

Dever introduced the bill. Members recommended changes in Section 1, line 19 to replace 'up to' with "not to exceed," and to add Sections 2 & 3.

**It was moved by Weeda, seconded by Schneider and carried on a voice vote to present the bill to the ED & T committee.**

*A copy of the drafted bill is attached at Appendix D*

**Recommendation #16 on the spreadsheet refers to the drafted bill below:**

**Bill to amend and reenact section 57-51.1-07.3 of the NDCC relating to oil and gas research fund deposits.**

Dever introduced the bill. Members recommended replacing the phrase 'energy resources' with "oil and gas" throughout the document.

**It was moved by Sandi, seconded by Schneider and carried on a voice vote to make the changes.**

*A copy of the drafted bill is attached at Appendix E*

### **Guest Speaker**

#### **Ray Hintz, Career and Technology Center Academy**

Ray Hintz, of the Career and Technology Center Academy, Bismarck spoke on the need for implementing an online delivery system that would be designed for all students in ND promoting ND Studies. Discussion ensued about funding for the system and members wanted more information on the subject sent to them via email.

### **FUTURE MEETINGS**

The next meeting is planned for a date in September, with a possible tour at the Allele Bison Wind Farm. Sherri will work with members and Dave Schmitz for a date.

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Al Anderson Chairman	Date
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Sherri Frieze Recording Secretary	Date
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#	Topic Area	Action	Cat.	Type	Agency	Comments
1	Infrastructure	Develop a new formula to provide adequate funding for local government investment in construction of infrastructure necessary to address significant funding shortfalls for roads, wastewater treatment facilities, water supply facilities, and other needs normally funded by local government entities.	2	Legislation		Support Governor's legislation
2	Infrastructure	Provide oil impact grant funds for regional or local community development and infrastructure planning in the Bakken area.	2	Funding	Trust Lands	Support Governor's legislation
✓ 3	Infrastructure	Remove the sunset on the Housing Incentive Fund, expand program funding and consider broadening the application to provide alternate or direct funding source.	1	Legislation	Housing Finance Agency	Look to Governor's initiative for guidance on bill draft
4	Infrastructure	Provide funding to the North Dakota Housing Finance Agency for the Down Payment Assistance and Construction Loan Guarantee Programs and provide guarantees to local lenders for incentives to borrowers who have participated in "financial counseling programs."	3	Funding	Housing Finance Agency	Support budget request
5	Infrastructure	Promote the importance of temporary workforce housing.	3	Executive Branch Action		Sharing best practices among counties
6	Infrastructure	Promote the long-term benefits and reduced impacts for providing easements on property for energy infrastructure. This effort could include: <ul style="list-style-type: none"> <li>o Encouraging energy companies to focus on the importance of on-going positive landowner relations and ensuring reclamation efforts are satisfactory to the landowner.</li> <li>o Encouraging landowners and energy companies to use the North Dakota Agriculture Department's mediation service to reach mutual agreement on terms of the easement.</li> </ul>	3	Executive Branch Action	Ag. Department, Pipeline Authority	Possible legislation concerning 811
7	Infrastructure	Study existing water systems throughout the state and take action to provide expansion of capacity to meet growing community and commercial needs.	1 / 2	Study	Water Commission	Possible legislation to direct & fund study
8	Infrastructure	Coordinate with the U.S. Corps of Engineers to increase access to Lake Sakakawea for industry and community needs to alleviate pressure on other water sources, reduce local truck traffic and improve road safety.	3	Executive Branch Action		
9	Infrastructure	Maintain a comprehensive long-range forecast for energy production and supply across all sectors, specifically looking at needed infrastructure to support growth.	2	Legislation/ Study	Commerce/ NDIC	Keep up-to-date information using model developed by KLJ
10	Infrastructure	Monitor the railroad capacity within North Dakota to ensure there is adequate ability to export all commodities to market.	3	Study	Pipeline Authority	Possibly utilize the Upper Great Plains Transportation Institute
11	Workforce	Increase efforts to educate North Dakota's youth, as early as grades 4-5, about North Dakota's natural resources by developing curriculum to encourage interest in energy careers.	2	Legislation		Possible legislation for curriculum changes to ND studies in 4th grade
✓ 12	Workforce	Encourage and enable the energy industry to collaborate with the North Dakota University System, Governor's Workforce Development Council, Job Service North Dakota and other agencies to: <ul style="list-style-type: none"> <li>o Fund enhancements to Job Service North Dakota's systems and data collection processes to provide analytical data related to workforce skills and employment to better identify energy industry needs.</li> <li>o Develop and enhance core curriculum related to high-demand energy industry careers.</li> <li>o Encourage industry interaction with teachers and guidance counselors to grow youth knowledge and interest in energy careers and to better retain youth for high-demand career options.</li> <li>o Provide greater accessibility to career and technical education programs, especially through adequate training facilities.</li> </ul> § Examples of the above include, but are not limited to: <ul style="list-style-type: none"> <li>· science, technology, engineering, and mathematics (STEM) education</li> <li>· original equipment manufacturer (OEM) supported programs</li> <li>· commercial driver's license (CDL) training sites</li> <li>· emergency medical services</li> <li>· technical trades/internships</li> <li>· energy careers</li> </ul>	1	Funding/ Legislation		Pattern legislation after Rep. Skarphol's amendment for funding to Job Service ND

#	Topic Area	Action	Cat.	Type	Agency	Comments
13	Workforce	Support legislation which recognizes the role distance learning will play in the future of education and improve access to technology for students using distance learning programs	3			Any Workforce Development Council recommendations?
✓ 14	Research & Development	Allocate a portion of the Resource Trust Fund and set a target funding level for the renewable R&D program of \$3 million to enable planning for the future and to encourage the development of renewable resources, including ideas on how to foster cooperative efforts with traditional fuels.	1	Legislation		% of available funds up to a cap of \$3 million
15	Research & Development	Continue to support existing R&D programs which will ensure the development and implementation of new technologies to promote new growth for all energy resources.	3	Continuation		
✓ 16	Research & Development	Coordinate with private industry to identify the steps necessary to create a viable chemical industry related to energy resources. o Fund a study to evaluate value-added market opportunities for energy resources. o Increase funding to the oil and gas research program by \$1 million to explore opportunities related to value-added processing of natural gas.	1	Legislation	Commerce/ NDIC	
17	Regulatory Environment	Encourage federal agencies to recognize environmental issues unique to North Dakota and work with the agencies to develop regulations that make sense for the state and its companies. o Establish new venues for state and federal regulatory agencies to collaborate on federal rulemaking efforts in ways that address individual state issues.	1 / 2	Legislation		Possible resolutions w/ methods of collaboration
18	Regulatory Environment	Use the EmPower North Dakota Commission to better understand the economic impact of federal regulatory proposals on North Dakota. o Comment on proposed federal regulations with significant potential impact on the state's economy and engage the North Dakota Congressional delegation to actively challenge the implementation of final regulations posing a threat to North Dakota's economy.	1 / 2	Legislation		Possible resolutions w/ methods of collaboration
19	Regulatory Environment	Recognize the additional burdens new energy developments are placing on state regulatory agencies and provide adequate funding and staffing levels for North Dakota Department of Health, North Dakota Department of Mineral Resources, North Dakota Public Service Commission, and the North Dakota State Water Commission to ensure that each will be able to properly manage their respective programs.	2	Funding		Support agency requests for additional resources

Introduced by

1 A BILL for an Act to amend and reenact subsection 3 of section 54-17-07.3 and  
2 sections 54-17-40, 54-17-41, 57-35.3-05, and 57-38-01.32 of the North Dakota Century  
3 Code, relating to a multifamily housing finance program by the North Dakota housing  
4 finance agency and to a housing incentive fund and tax credits for contributions to the  
5 fund; and to declare an emergency.

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

7 **SECTION 1. AMENDMENT.** Subsection 3 of section 54-17-07.3 of the North  
8 Dakota Century Code is amended and reenacted as follows:

9 3. Multifamily housing finance program. A program or programs to provide  
10 financing directly or indirectly of construction, permanent, and combined  
11 construction and permanent mortgage loans, including participations in  
12 mortgage loans, for the acquisition, construction, refurbishing,  
13 reconstruction, rehabilitation, or improvement of multifamily housing  
14 facilities. As part of such a program, the industrial commission acting in its  
15 capacity as a state housing finance agency may enter into a public-private  
16 partnership with any interested private entity and accept any gift, grant, or  
17 other type of financial aid or assistance, including a contribution to the  
18 housing incentive fund, to provide financing for the construction or  
19 rehabilitation of a multifamily housing facility in a developing community in  
20 the state to address an unmet housing need or alleviate a housing  
21 shortage. A private entity participating in such a program may reserve a  
22 proportionate share of available units in the facility for occupancy by its  
23 workforce based on its financial participation in the facility, in addition to

1                   any units held for occupancy by persons or families of low or moderate  
2                   income.

3                   **SECTION 2. AMENDMENT.** Section 54-17-40 of the North Dakota Century  
4 Code is amended and reenacted as follows:

5                   **54-17-40. ~~(Effective through June 30, 2013)~~ Housing incentive fund -**  
6 **Continuing appropriation.**

- 7                   1.       The housing incentive fund in an amount not to exceed fifty million dollars  
8                   is created as a special revolving fund at the Bank of North Dakota. The  
9                   housing finance agency may direct disbursements from the fund and a  
10                  continuing appropriation from the fund is provided for that purpose.
- 11                  2.       After a public hearing, the housing finance agency shall create an annual  
12                  allocation plan for the distribution of the fund. At least twenty-five percent  
13                  of the fund must be used to assist developing communities ~~with a~~  
14                  ~~population of not more than ten thousand individuals~~ to address an unmet  
15                  housing need or alleviate a housing shortage. ~~At least fifty percent~~ A  
16                  portion of the fund as determined by the housing finance agency in the  
17                  annual allocation plan must be used to benefit ~~households with incomes at~~  
18                  ~~not more than fifty percent of the area median income~~ persons and  
19                  families of low or moderate income. The agency may collect a reasonable  
20                  administrative fee from the fund or from project developers, applicants or  
21                  grant recipients.
- 22                  3.       The housing finance agency shall adopt guidelines for the fund so as to  
23                  address unmet housing needs in this state. Assistance from the fund may  
24                  be used solely for:
- 25                  a.       New construction, rehabilitation, or acquisition of a multifamily  
26                  housing project;
- 27                  b.       Gap assistance, matching funds, and accessibility improvements;

- 1                   c.     Assistance that does not exceed the amount necessary to qualify  
2                             for a loan using underwriting standards acceptable for secondary  
3                             market financing or to make the project feasible; and  
4                   d.     Rental assistance, emergency assistance, or targeted supportive  
5                             services designated to prevent homelessness.
- 6           4.     Eligible recipients include units of local, state, and tribal government; local  
7                             and tribal housing authorities; community action agencies; regional  
8                             planning councils; and nonprofit organizations and for-profit developers of  
9                             multifamily housing. Individuals may not receive direct assistance from  
10                            the fund.
- 11           5.     Except for subdivision d of subsection 3, assistance is subject to  
12                            repayment or recapture under the guidelines adopted by the housing  
13                            finance agency. Any assistance that is repaid or recaptured must be  
14                            deposited in the fund and is appropriated on a continuing basis for the  
15                            purposes of this section.

16           **SECTION 3. AMENDMENT.** Section 54-17-41 of the North Dakota Century  
17 Code is amended and reenacted as follows:

18           **54-17-41. (~~Effective through June 30, 2013~~) Report.** Upon request, the  
19 housing finance agency shall report to the industrial commission on the activities of the  
20 housing incentive fund.

21           **SECTION 4. AMENDMENT.** Section 57-35.3-05 of the North Dakota Century  
22 Code is amended and reenacted as follows:

23           **57-35.3-05. (Effective after the first two taxable years beginning after**  
24 **December 31, 2010) Credits.**

- 25           1.           a.     There is allowed a credit against the tax imposed by sections  
26                            57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent  
27                            of the aggregate amount of charitable contributions made by the

- 1 taxpayer during the taxable year to nonprofit private institutions of  
2 higher education located within the state or to the North Dakota  
3 independent college fund. The amount allowable as a credit under  
4 this subdivision for any taxable year may not exceed four and  
5 six-tenths percent of the tax before credits allowed under this  
6 section, or two thousand five hundred dollars, whichever is less.
- 7 b. There is allowed a credit against the tax imposed by sections  
8 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent  
9 of the aggregate amount of charitable contributions made by the  
10 taxpayer during the taxable year to nonprofit private institutions of  
11 secondary education located within the state. The amount  
12 allowable as a credit under this subdivision for any taxable year  
13 may not exceed four and six-tenths percent of the tax before credits  
14 allowed under this section, or two thousand five hundred dollars,  
15 whichever is less.
- 16 c. For the purposes of this subsection, the term “nonprofit private  
17 institution of higher education” means only a nonprofit private  
18 educational institution located in North Dakota which normally  
19 maintains a regular faculty and curriculum and which normally has  
20 a regularly organized body of students in attendance at the place  
21 where its educational activities are carried on, and which regularly  
22 offers education at a level above the twelfth grade. The term  
23 “nonprofit private institution of secondary education” means only a  
24 nonprofit private educational institution located in North Dakota  
25 which normally maintains a regular faculty and curriculum approved  
26 by the department of public instruction and which normally has a  
27 regularly organized body of students in attendance at the place

1 where its educational activities are carried on, and which regularly  
2 offers education to students in the ninth through twelfth grades.

3 d. For the purposes of this subsection, a taxpayer may elect to treat a  
4 contribution as made in the preceding taxable year if the  
5 contribution and election are made not later than the time  
6 prescribed for filing the return for the taxable year.

7 2. a. There is allowed a credit against the tax imposed by sections  
8 57-35.3-01 through 57-35.3-12 in an amount equal to any  
9 overpayment of tax paid pursuant to chapter 57-35 or 57-35.1, for a  
10 taxable year beginning before January 1, 1997, to the extent that  
11 the overpayment would have been an allowable deduction from tax  
12 payable for the current taxable year, under section 57-35-12 or  
13 57-35.1-07, if chapters 57-35 and 57-35.1 applied to the current  
14 taxable year. The amount allowable as a credit under this  
15 subsection for any taxable year may not exceed five-sevenths of  
16 the tax before credits allowed under this section.

17 b. For purposes of determining distributions to and from the counties  
18 under section 57-35.3-09:

19 (1) The balance in the financial institution tax distribution fund  
20 and the amount of the payment received by each county  
21 from the state shall be determined as if any credit allowed  
22 under subdivision a had not been claimed and the full  
23 amount of the tax otherwise due had been timely paid;

24 (2) The credited amount must be deducted from the distributions  
25 that would otherwise be made to and from the county that  
26 received the tax overpayment until the sum of the deductions  
27 equals the credit; and

1                           (3)    The deductions from distributions made by a county to each  
2    distributee must be proportionate to the overpayment of tax  
3    received by each distributee.

4           3.    There is allowed a credit against the tax imposed by sections 57-35.3-01  
5                   through 57-35.3-12 in an amount equal to fifty percent of the aggregate  
6                   amount of contributions made by the taxpayer during the taxable year for  
7                   tuition scholarships for participation in rural leadership North Dakota  
8                   conducted through the North Dakota state university extension service.  
9                   Contributions by a taxpayer may be earmarked for use by a designated  
10                  recipient.

11          4.    There is allowed a credit against the tax imposed by sections 57-35.3-01  
12                  through 57-35.3-12 in an amount equal to forty percent of a charitable gift  
13                  to a qualified endowment. The maximum credit that may be claimed by a  
14                  financial institution under this subsection for charitable gifts made in a  
15                  taxable year may not exceed ten thousand dollars. For the purposes of  
16                  the credit allowed in this subsection, subsections 1, 6, and 8 of section  
17                  57-38-01.21 apply. A charitable gift used as the basis for a credit claimed  
18                  under this subsection may not be used as the basis for the claim of a  
19                  credit under any other provision of this chapter.

20          5.    There is allowed a credit against the tax imposed by sections 57-35.3-01  
21                  through 57-35.3-12 in an amount equal to the contribution to the housing  
22                  incentive fund under section 54-17-40. For the purposes of the credit  
23                  allowed in this subsection, subsections 2 through 8 of section 57-38-01.32  
24                  apply.

25                **SECTION 5. AMENDMENT.** Section 57-38-01.32 of the North Dakota Century  
26                Code is amended and reenacted as follows:

1           **57-38-01.32. (~~Effective for the first two taxable years beginning after~~**  
2 **~~December 31, 2010~~) Housing incentive fund tax credit.**

- 3           1.     A taxpayer is entitled to a credit as determined under this section against  
4           state income tax liability under section 57-38-30 or 57-38-30.3 for  
5           contributing to the housing incentive fund under section 54-17-40. The  
6           amount of the credit is equal to the amount contributed to the fund during  
7           the taxable year.
- 8           2.     North Dakota taxable income must be increased by the amount of the  
9           contribution upon which the credit under this section is computed but only  
10          to the extent the contribution reduced federal taxable income.
- 11          3.     The contribution amount used to calculate the credit under this section  
12          may not be used to calculate any other state income tax deduction or  
13          credit allowed by law.
- 14          4.     If the amount of the credit exceeds the taxpayer's tax liability for the  
15          taxable year, the excess may be carried forward to each of the ten  
16          succeeding taxable years.
- 17          5.     The aggregate amount of tax credits allowed to all eligible contributors is  
18          limited to ~~fifteen~~ twenty million dollars per biennium. This limitation applies  
19          to all contributions for which tax credits are claimed under section  
20          57-35.3-05 and this section.
- 21          6.     Within thirty days after the date on which a taxpayer makes a contribution  
22          to the housing incentive fund, the housing finance agency shall file with  
23          each contributing taxpayer, and a copy with the tax commissioner,  
24          completed forms that show as to each contribution to the fund by that  
25          taxpayer the following:
- 26                a.     The name, address, and social security number or federal employer  
27                identification number of the taxpayer that made the contribution.

- 1                   b.     The dollar amount paid for the contribution by the taxpayer.
- 2                   c.     The date the payment was received by the fund.
- 3           7.     To receive the tax credit provided under this section, a taxpayer shall
- 4                   claim the credit on the taxpayer's state income or financial institutions tax
- 5                   return in the manner prescribed by the tax commissioner and file with the
- 6                   return a copy of the form issued by the housing finance agency under
- 7                   subsection 6.
- 8           8.     Notwithstanding the time limitations contained in section 57-38-38, this
- 9                   section does not prohibit the tax commissioner from conducting an
- 10                  examination of the credit claimed and assessing additional tax due under
- 11                  section 57-38-38.
- 12           9.     A partnership, subchapter S corporation, limited partnership, limited
- 13                  liability company, or any other passthrough entity making a contribution to
- 14                  the housing incentive fund under this section is considered to be the
- 15                  taxpayer for purposes of this section, and the amount of the credit allowed
- 16                  must be determined at the passthrough entity level. The amount of the
- 17                  total credit determined at the entity level must be passed through to the
- 18                  partners, shareholders, or members in proportion to their respective
- 19                  interests in the passthrough entity.

20           **SECTION 6. EMERGENCY.** This Act is declared to be an emergency measure.

13.00xx.01000

Sixty-third  
Legislative Assembly  
of North Dakota

FIRST DRAFT:  
Prepared by the EmPower ND Commission for the  
Energy Development and Transmission Committee  
August 2012

Introduced by

1 A BILL for an Act to provide an appropriation to job service North Dakota for the purpose  
2 of upgrading collection and use of employment data.

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

4 **SECTION 1. APPROPRIATION.** There is appropriated out of any moneys in the  
5 general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or  
6 so much of the sum as may be necessary, to job service North Dakota for the purpose of  
7 upgrading collection and use of employment data to correctly identify transportation and  
8 other employees who should be included for statistical purposes in oil and gas-related  
9 employment, for the biennium beginning July 1, 2013, and ending June 30, 2015.

13.0152.01000

Sixty-third  
Legislative Assembly  
of North Dakota

FIRST DRAFT:  
Prepared by the Legislative Council staff for the  
Energy Development and Transmission Committee  
August 2012

Introduced by

1 A BILL for an Act to amend and reenact section 57-51.1-07 of the North Dakota Century Code,  
2 relating to the resources trust fund; to provide for a value-added market opportunities for  
3 renewable energy resources study by the department of commerce; and to provide an  
4 appropriation.

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

6 **SECTION 1. AMENDMENT.** Section 57-51.1-07 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-51.1-07. Allocation of moneys in oil extraction tax development fund.**

9 Moneys deposited in the oil extraction tax development fund must be transferred monthly by  
10 the state treasurer as follows:

11 1. Twenty percent must be allocated and credited to the sinking fund established for  
12 payment of the state of North Dakota water development bonds, southwest pipeline  
13 series, and any moneys in excess of the sum necessary to maintain the accounts  
14 within the sinking fund and for the payment of principal and interest on the bonds must  
15 be credited to a special trust fund, to be known as the resources trust fund. The  
16 resources trust fund must be established in the state treasury and the funds therein  
17 must be deposited and invested as are other state funds to earn the maximum amount  
18 permitted by law which income must be deposited in the resources trust fund. Five  
19 percent of the amount credited to the resources trust fund must be transferred  
20 quarterly into the renewable energy development fund, not to exceed three million  
21 dollars per biennium. The principal and income of the resources trust fund may be  
22 expended only pursuant to legislative appropriation and are available to:

23 a. The state water commission for planning for and construction of water-related  
24 projects, including rural water systems. These water-related projects must be

- 1                   those which the state water commission has the authority to undertake and  
2                   construct pursuant to chapter 61-02; and
- 3           b.   The industrial commission for the funding of programs for development of energy  
4           conservation and renewable energy sources; for studies for development of  
5           cogeneration systems that increase the capacity of a system to produce more  
6           than one kind of energy from the same fuel; for studies for development of waste  
7           products utilization; and for the making of grants and loans in connection  
8           therewith.
- 9           2.   Twenty percent must be allocated to the common schools trust fund and foundation  
10           aid stabilization fund as provided in section 24 of article X of the Constitution of North  
11           Dakota.
- 12           3.   Thirty percent must be allocated to the legacy fund as provided in section 26 of  
13           article X of the Constitution of North Dakota.
- 14           4.   Thirty percent must be allocated and credited to the state's general fund.

15           **SECTION 2. VALUE-ADDED MARKET OPPORTUNITIES FOR RENEWABLE ENERGY**  
16           **RESOURCES STUDY - REPORT TO THE LEGISLATIVE MANAGEMENT.**

- 17           1.   During the 2013-14 interim, the department of commerce shall conduct a study to  
18           evaluate value-added market opportunities related to renewable energy resources.
- 19           2.   The department of commerce shall cooperate with the energy policy commission in  
20           conducting this study.
- 21           3.   The department of commerce shall report its findings and recommendations to the  
22           legislative management before September 1, 2014.

23           **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general  
24           fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the  
25           sum as may be necessary, to the department of commerce for the purpose of conducting a  
26           study to evaluate value-added market opportunities for renewable energy resources under  
27           section 2 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015.

13.00xx.01000

Sixty-third  
Legislative Assembly  
of North Dakota

FIRST DRAFT:  
Prepared by the EmPower ND Commission for the  
Energy Development and Transmission Committee  
August 2012

Introduced by

1 A BILL for an Act to amend and reenact section 57-51.1-07 of the North Dakota Century  
2 Code, relating to the resources trust fund.

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

4 **SECTION 1. AMMENDMENT.** Section 57-51.1-07 of the North Dakota Century  
5 Code is amended and reenacted as follows:

6 **57-51.1-07. Allocation of moneys in oil extraction tax development fund.**

7 Moneys deposited in the oil extraction tax development fund must be transferred  
8 monthly by the state treasurer as follows:

- 9 1. Twenty percent must be allocated and credited to the sinking fund  
10 established for payment of the state of North Dakota water development  
11 bonds, southwest pipeline series, and any moneys in excess of the sum  
12 necessary to maintain the accounts within the sinking fund and for the  
13 payment of principal and interest on the bonds must be credited to a special  
14 trust fund, to be known as the resources trust fund. The resources trust fund  
15 must be established in the state treasury and the funds therein must be  
16 deposited and invested as are other state funds to earn the maximum amount  
17 permitted by law which income must be deposited in the resources trust fund.  
18 Five percent of the amount credited to the resources trust fund must be  
19 transferred quarterly into the renewable energy development fund, up to three  
20 million dollars per biennium. The principal and income of the resources trust  
21 fund may be expended only pursuant to legislative appropriation and are  
22 available to:
- 23 a. The state water commission for planning for and construction of water-  
24 related projects, including rural water systems. These water-related  
25 projects must be those which the state water commission has the  
26 authority to undertake and construct pursuant to chapter 61-02; and

- 1           b. The industrial commission for the funding of programs for development of  
2           energy conservation and renewable energy sources; for studies for  
3           development of cogeneration systems that increase the capacity of a  
4           system to produce more than one kind of energy from the same fuel; for  
5           studies for development of waste products utilization; and for the making  
6           of grants and loans in connection therewith.
- 7           2. Twenty percent must be allocated to the common schools trust fund and  
8           foundation aid stabilization fund as provided in section 24 of article X of the  
9           Constitution of North Dakota.
- 10          3. Thirty percent must be allocated to the legacy fund as provided in section 26  
11          of article X of the Constitution of North Dakota.
- 12          4. Thirty percent must be allocated and credited to the state's general fund.