

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1014

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial
2 commission and the agencies under the management of the industrial commission; to provide
3 legislative intent; to provide for a legislative management study; to provide an appropriation; to
4 provide a contingent appropriation; to authorize transfers; to provide for budget section
5 approval; and to declare an emergency.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from special funds derived from federal funds and
10 other income, to the state industrial commission and agencies under its control for the purpose
11 of defraying the expenses of the state industrial commission and agencies under its control, for
12 the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

13 Subdivision 1.

14 INDUSTRIAL COMMISSION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17 Salaries and wages	\$9,321,995	\$2,552,612	\$11,874,607
18 <u>Salaries and wages</u>	<u>\$9,321,995</u>	<u>\$2,889,625</u>	<u>\$12,211,620</u>
19 Operating expenses	2,646,426	847,318	3,493,744
20 Capital assets	49,000	(49,000)	0
21 Grants - Lignite research and 22 development	19,971,300	0	19,971,300
23 Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
24 Mineral resources contingency	0	743,972	743,972

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1	Carbon dioxide storage facility	0	532,000	532,000
2	administrative fund			
3	Renewable energy development	0	1,000,000	1,000,000
4	Total all funds	\$59,430,586	\$3,574,770	\$63,005,356
5	Less estimated income	49,308,484	(1,785,826)	47,522,658
6	Total general fund	\$10,122,102	\$5,360,596	\$15,482,698
7	<u>Renewable energy development</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
8	<u>Total all funds</u>	<u>\$59,430,586</u>	<u>\$4,911,783</u>	<u>\$64,342,369</u>
9	<u>Less estimated income</u>	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
10	<u>Total general fund</u>	<u>\$10,122,102</u>	<u>\$6,709,539</u>	<u>\$16,831,641</u>
11	Full-time equivalent positions	61.06	13.00	74.06

12 Subdivision 2.

13 BANK OF NORTH DAKOTA - OPERATIONS

14			Adjustments or	
15		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16	Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
17	Capital assets	1,455,000	(189,000)	1,266,000
18	Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
19	Full-time equivalent positions	176.50	0.00	176.50

20 Subdivision 3.

21 BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Partnership in assisting community	\$8,000,000	(\$2,000,000)	\$6,000,000
25	expansion fund			
26	Agriculture partnership in assisting	1,400,000	(400,000)	1,000,000
27	community expansion fund			
28	Beginning farmer revolving loan fund	950,000	450,000	1,400,000
29	Biofuels partnership in assisting	0	1,000,000	1,000,000
30	community expansion fund			
31	Total all funds	\$10,350,000	(\$950,000)	\$9,400,000

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1	Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
2	Total general fund	\$9,400,000	\$0	\$9,400,000

3 Subdivision 4.

4 MILL AND ELEVATOR ASSOCIATION

5		Adjustments or		
6		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
7	Salaries and wages	\$22,599,324	\$3,450,006	\$26,049,330
8	Operating expenses	16,982,918	2,896,887	19,879,805
9	<u>Salaries and wages</u>	<u>\$22,599,324</u>	<u>\$3,712,292</u>	<u>\$26,311,616</u>
10	<u>Operating expenses</u>	<u>16,982,918</u>	<u>3,460,951</u>	<u>20,443,869</u>
11	Contingencies	325,000	75,000	400,000
12	Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
13	Total from mill and elevator fund	\$40,057,242	\$6,481,893	\$46,539,135
14	Full-time equivalent positions	131.00	0.00	131.00
15	<u>Total from mill and elevator fund</u>	<u>\$40,057,242</u>	<u>\$7,308,243</u>	<u>\$47,365,485</u>
16	<u>Full-time equivalent positions</u>	<u>131.00</u>	<u>4.00</u>	<u>135.00</u>

17 Subdivision 5.

18 HOUSING FINANCE AGENCY

19		Adjustments or		
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
22	Operating expenses	8,677,581	(3,562,732)	5,114,849
23	Grants	26,224,360	634,560	26,858,920
24	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
25	Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
26	Full-time equivalent positions	46.00	0.00	46.00

27 Subdivision 6.

28 BILL TOTAL

29		Adjustments or		
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Grand total general fund	\$19,522,102	\$5,360,596	\$24,882,698

1	Grand total special funds	174,516,769	4,988,225	179,504,994
2	Grand total all funds	\$194,038,871	\$10,348,821	\$204,387,692
3	<u>Grand total general fund</u>	<u>\$19,522,102</u>	<u>\$6,709,539</u>	<u>\$26,231,641</u>
4	<u>Grand total special funds</u>	<u>174,516,769</u>	<u>5,802,645</u>	<u>180,319,414</u>
5	<u>Grand total all funds</u>	<u>\$194,038,871</u>	<u>\$12,512,184</u>	<u>\$206,551,055</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the grand total appropriation in section 1 of this Act:

10	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
11	Federal stimulus funds	\$30,360,574	\$0
12	Biofuels partnership in assisting community expansion	700,000	0
13	State facility lignite feasibility demonstration project	400,000	0
14	Ag PACE disaster program	1,000,000	0
15	Recruitment/retention bonuses	185,000	0
16	Renewable energy development program	3,000,000	1,000,000
17	<u>Renewable energy development program</u>	<u>3,000,000</u>	<u>2,000,000</u>
18	Carbon dioxide storage facility administrative fund	0	532,000
19	Coalbed methane/shallow gas studies	31,152	25,000
20	Fracturing sand and proppant studies	62,000	50,000
21	Oil-bearing rock study	0	40,000
22	Paleontologic preparatory work	0	62,400
23	Total all funds	\$35,738,726	\$1,709,400
24	Total special funds	30,360,574	0
25	Total general fund	\$5,378,152	\$1,709,400
26	<u>Total all funds</u>	<u>\$35,738,726</u>	<u>\$2,709,400</u>
27	<u>Total special funds</u>	<u>30,360,574</u>	<u>0</u>
28	<u>Total general fund</u>	<u>\$5,378,152</u>	<u>\$2,709,400</u>

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The industrial commission shall report to the appropriations committees of

1 the sixty-third legislative assembly on the use of this one-time funding for the biennium
2 beginning July 1, 2011, and ending June 30, 2013.

3 **SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$25,389,733
4 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be
5 paid from the following funding sources during the biennium beginning July 1, 2011, and ending
6 June 30, 2013:

7	North Dakota university system	\$12,254,770
8	North Dakota university system - Energy conservation projects	929,789
9	Department of corrections and rehabilitation	1,337,752
10	Department of corrections and rehabilitation - Energy conservation projects	18,604
11	State department of health	672,898
12	Job service North Dakota	710,735
13	Adjutant general	70,225
14	Information technology department - ConnectND	5,406,666
15	Office of management and budget	665,143
16	Office of the attorney general	765,704
17	State historical society	1,392,069
18	Parks and recreation	73,613
19	Research and extension service	571,290
20	Veterans' home	<u>520,475</u>
21	Total	\$25,389,733

22 **SECTION 4. LEGISLATIVE INTENT - LAND PURCHASE.** It is the intent of the
23 sixty-second legislative assembly that to the best of its ability the Bank of North Dakota ensure
24 that properties adjacent to Bank of North Dakota property northwest of west street are
25 developed for uses that are consistent with the mission and purpose of the Bank of North
26 Dakota.

27 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY.** During the 2011-12 interim, the
28 legislative management shall consider studying primacy in the administration of federal
29 environmental protection agency regulations.

30 **SECTION 6. APPROPRIATION.** In addition to the amount appropriated to the housing
31 finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional

1 income or unanticipated income from federal or other funds which may become available to the
2 agency for the biennium beginning July 1, 2011, and ending June 30, 2013.

3 **SECTION 7. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In addition to
4 the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this
5 Act, there is appropriated, with the approval of the emergency commission, funds that may
6 become available to the commission from bonds authorized by law to be issued by the state
7 industrial commission for the biennium beginning July 1, 2011, and ending June 30, 2013.

8 **SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING -**
9 **PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.** Of the
10 funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1
11 of this Act, \$743,972 is from the permanent oil tax trust fund. If funds are required due to the
12 drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and
13 gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position,
14 upon emergency commission approval, and further if funds are required due to the drilling rig
15 count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division
16 may spend up to an additional \$192,393 of these funds and hire one full-time equivalent
17 position, upon emergency commission approval. If funds are required due to the total number of
18 oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend
19 up to \$359,186 and hire two full-time equivalent positions, upon emergency commission
20 approval.

21 **SECTION 9. TRANSFER.** The sum of \$488,211, or so much of the sum as may be
22 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
23 this Act, may be transferred from the entities within the control of the state industrial commission
24 to the industrial commission fund for administrative services rendered by the commission.
25 Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013,
26 upon order of the commission. Transfers from the student loan trust must be made to the extent
27 permitted by sections 54-17-24 and 54-17-25.

28 **SECTION 10. APPROPRIATION - TRANSFER.** The funds appropriated in subdivision 3 of
29 section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in
30 assisting community expansion fund; the agriculture partnership in assisting community
31 expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in

1 assisting community expansion fund. The Bank of North Dakota may not be construed to be a
2 general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

3 **SECTION 11. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**

4 **APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$1,500,000,
5 or so much of the amount as may be necessary, included in the grants and special funds
6 appropriation line item in subdivision 1 of section 1 of this Act, is appropriated from the lignite
7 research fund for the purpose of contracting for an independent, nonmatching lignite marketing
8 feasibility study or studies that determine those focused priority areas where near-term,
9 market-driven projects, activities, or processes will generate matching private industry
10 investment and have the most potential of preserving existing lignite production and industry
11 jobs or that will lead to increased development of lignite and its products and create new lignite
12 industry jobs and economic growth for the general welfare of this state. Moneys appropriated
13 pursuant to this section may also be used for the purpose of contracting for nonmatching
14 studies and activities in support of the lignite vision 21 program; for litigation that may be
15 necessary to protect and promote the continued development of lignite resources; for
16 nonmatching externality studies and activities in externality proceedings; or other marketing,
17 environmental, or transmission activities that assist with marketing of lignite-based electricity
18 and lignite-based byproducts. Moneys not needed for the purposes stated in this section are
19 available to the commission for funding projects, processes, or activities under the lignite
20 research, development, and marketing program.

21 **SECTION 12. TRANSFER TO OIL AND GAS RESEARCH FUND FROM PERMANENT**

22 **OIL TAX TRUST FUND - GRANTS - BUDGET SECTION APPROVAL.** During the biennium
23 beginning July 1, 2011, and ending June 30, 2013, the director of the office of management and
24 budget shall transfer \$4,000,000 from the permanent oil tax trust fund to the oil and gas
25 research fund for the oil and gas research program. The moneys may be transferred only if the
26 industrial commission has awarded grants totaling \$4,000,000 from the oil and gas research
27 fund during the 2011-13 biennium and upon approval by the industrial commission and budget
28 section.

29 **SECTION 13. CARBON DIOXIDE STORAGE FACILITY ADMINISTRATIVE FUND - USE**

30 **OF FUNDING.** The carbon dioxide storage facility administrative fund line item in subdivision 1
31 of section 1 of this Act includes \$532,000 from the general fund that the industrial commission

1 may deposit in its carbon dioxide storage facility administrative fund for the purpose of hiring
2 one full-time equivalent position for up to three years until fee income is sufficient to provide
3 funding for the administration of the provisions of chapter 38-22. The industrial commission shall
4 use this funding to provide a timely response to the environmental protection agency's rules
5 relating to carbon dioxide sequestration and develop a coordinated response from state
6 agencies with the goal of the state of North Dakota having class VI primacy for carbon dioxide
7 storage in North Dakota.

8 | **SECTION 14. EMERGENCY.** Section ~~42~~13 and the related funding included in
9 subdivision 1 of section 1 of this Act are declared to be an emergency measure.