

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2014

Page 1, line 2, remove "a new section to chapter"

Page 1, line 3, remove "6-09.4 and"

Page 1, line 4, remove "bonded debt repayments and"

Page 1, line 5, remove "sections 6-09-49, 6-09.4-06, 6-09.4-10, 6-09.16-02, 6-09.16-03,
6-09.16-05, 15-11-40,"

Page 1, line 6, replace "50-30-04, 54-17-40, and 57-51.1-07.9" with "section 6-09.4-05.1,
subsection 6 of section 17-05-08, subsection 1 of section 38-22-14, and subsection 1
of section 38-22-15"

Page 1, line 6, remove the second "the"

Page 1, remove lines 7 and 8

Page 1, line 9, replace "energy research center, and the housing incentive fund; to provide a
continuing appropriation" with "transmission authority projects and carbon dioxide
storage fees"

Page 2, replace line 1 with:

"Salaries and wages	\$23,409,450	\$288,669	\$23,698,119"
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Page 2, replace lines 6 through 8 with:

"Total all funds	\$39,977,988	\$10,987,070	\$50,965,058
Less estimated income	<u>12,723,790</u>	<u>11,645,395</u>	<u>24,369,185</u>
Total general fund	\$27,254,198	(\$658,325)	\$26,595,873"

Page 2, replace lines 14 through 17 with:

"Bank of North Dakota operations	\$62,847,799	\$2,955,453	\$65,803,252
Capital assets	<u>1,510,000</u>	<u>0</u>	<u>1,510,000</u>
Total special funds	\$64,357,799	\$2,955,453	\$67,313,252
Full-time equivalent positions	181.50	(12.00)	169.50"

Page 2, replace line 22 with:

"Salaries and wages	\$8,509,015	\$972,680	\$9,481,695"
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Page 2, replace lines 27 and 28 with:

"Total special funds	\$47,421,891	\$11,429,064	\$58,850,955
Full-time equivalent positions	44.00	4.00	48.00"

Page 3, replace lines 13 through 15 with:

"Grand total general fund	\$27,254,198	(\$658,325)	\$26,595,873
Grand total special funds	<u>201,498,304</u>	<u>37,412,297</u>	<u>238,910,601</u>
Grand total all funds	\$228,752,502	\$36,753,972	\$265,506,474"

Page 3, after line 26 insert:

"Housing finance agency - housing assessment	0	35,000"
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Page 3, replace lines 28 through 30 with:

"Total all funds	\$12,965,000	\$141,206
Less estimated income	<u>5,270,000</u>	<u>35,000</u>
Total general fund	\$7,695,000	\$106,206"

Page 4, remove lines 28 through 30

Page 5, remove lines 1 and 2

Page 5, line 3, remove "APPROPRIATION - GENERAL FUND -"

Page 5, line 3, after "TRANSFER" insert "STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

Page 5, line 4, remove "- INTENT"

Page 5, line 4, remove "There is appropriated out of any moneys in the general fund in"

Page 5, remove line 5

Page 5, line 6, replace "as may be necessary, which the office of management and budget shall transfer" with "The office of management and budget shall transfer the sum of \$9,500,000 from the strategic investment and improvements fund"

Page 5, line 7, remove "The"

Page 5, remove lines 8 through 26

Page 5, line 28, replace "\$1,215,980" with "\$1,214,768"

Page 7, line 19, replace "\$14,000,000" with "\$9,500,000"

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 31

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 31

Page 14, remove lines 1 through 30

Page 15, remove lines 1 through 29

Page 16, remove lines 1 through 31

Page 17, replace lines 1 through 11 with:

"SECTION 14. AMENDMENT. Section 6-09.4-05.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-05.1. Administrative agreements with state agencies.

The public finance authority and any state agency authorized by state or federal law to make an allocation of bonds or bonding authority or to make loans, or to issue bonds to obtain funds for the purpose of making loans, ~~to political subdivisions or grants,~~ may enter into an administrative agreement, which may authorize the public finance authority to administer the loan or bond program for the state agency. The agreement may delegate to the public finance authority the authority to make loans, or to issue bonds to obtain funds for the purpose of making loans, ~~to political subdivisions or grants.~~

SECTION 15. AMENDMENT. Subsection 6 of section 17-05-08 of the North Dakota Century Code is amended and reenacted as follows:

6. The commission may approve a resolution for the issuance of bonds as provided in this section which states in substance that this subsection is applicable to any required debt service reserve for bonds issued under that resolution in an aggregate amount not to exceed two hundred forty million dollars plus costs of issuance, credit enhancement, and any reserve funds required by agreements with or for the benefit of holders of the evidences of indebtedness for the purposes for which the authority is created under this chapter. The amount of any refinancing, however, may not be counted toward the two hundred forty million dollar limitation to the extent the amount does not exceed the outstanding amount of the obligations being refinanced. No more than thirty percent of the total project costs or the appraised value, whichever is greater, for any single transmission facility project may be financed by bonds issued under this section which are supported by the debt service reserve fund approved by the commission under this subsection. To ensure the maintenance of the required debt service reserve fund approved by the commission under this subsection, the legislative assembly shall appropriate and pay to the authority for deposit in the reserve fund any sum, certified by the commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve fund approved by the commission.

SECTION 16. AMENDMENT. Subsection 1 of section 38-22-14 of the North Dakota Century Code is amended and reenacted as follows:

1. Storage operators shall pay the commission a fee on each ton of carbon dioxide injected for storage. The fee must be in the amount set by commission rule. The amount must be based on the contribution of the storage facility and the source of the carbon dioxide to the energy and agriculture production economy of North Dakota and the commission's anticipated expenses that it will incur in regulating storage facilities during their construction, operational, and preclosure phases.

SECTION 17. AMENDMENT. Subsection 1 of section 38-22-15 of the North Dakota Century Code is amended and reenacted as follows:

1. Storage operators shall pay the commission a fee on each ton of carbon dioxide injected for storage. The fee must be in the amount set by commission rule. The amount must be based on the contribution of the storage facility and the source of the carbon dioxide to the energy and agriculture production economy of North Dakota and the commission's

anticipated expenses associated with the long-term monitoring and management of a closed storage facility."

Page 17, remove lines 29 and 30

Page 18, remove lines 1 through 31

Page 19, remove lines 1 through 25

Page 20, replace lines 4 through 9 with:

"SECTION 21. EXEMPTION - SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND. Notwithstanding the requirements under section 15.1-36-08 to use the moneys in the fund for loan disbursements and administrative expenses and pursuant to the continuing appropriation authority under section 15.1-36-08, \$2,500,000, or so much of the sum as may be necessary, is available from the school construction assistance revolving loan fund to the Bank of North Dakota to provide interest rate buydowns associated with loans issued under section 15.1-36-06, for the biennium beginning July 1, 2021, and ending June 30, 2023. In addition, subject to sufficient funding being available for loans to local school districts, the Bank of North Dakota may utilize funding from the school construction assistance revolving loan fund to repay a portion of the outstanding principal balance of loans issued under section 15.1-36-06 for the purpose of transferring a portion of the loans issued under that section from the Bank of North Dakota to the school construction assistance revolving loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 20, after line 23, insert:

"SECTION 24. STATE ENERGY RESEARCH CENTER - STUDY OF HYDROGEN. In addition to the duties under section 15-11-40, the state energy research center shall study the development and implementation of hydrogen energy in the state during the biennium beginning July 1, 2021, and ending June 30, 2023. The study must include a plan for the development and implementation of hydrogen energy and must include consideration of existing resources, methods of production and delivery, and potential uses of hydrogen. The study may include estimates of the cost and timeline to develop infrastructure for hydrogen energy and the use of public and private partnerships to assist in the development of infrastructure for hydrogen energy. During the 2021-22 interim, the state energy research center shall provide at least one report to the legislative management regarding the study."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Industrial Commission				
Total all funds	\$39,977,988	\$65,212,937	(\$14,247,879)	\$50,965,058
Less estimated income	12,723,790	24,371,687	(2,502)	24,369,185
General fund	<u>\$27,254,198</u>	<u>\$40,841,250</u>	<u>(\$14,245,377)</u>	<u>\$26,595,873</u>
FTE	112.25	108.25	0.00	108.25
Bank of North Dakota				
Total all funds	\$64,357,799	\$167,604,371	(\$100,291,119)	\$67,313,252
Less estimated income	64,357,799	167,604,371	(100,291,119)	67,313,252
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FTE	181.50	171.50	(2.00)	169.50
Housing Finance Agency				
Total all funds	\$47,421,891	\$74,006,784	(\$15,155,829)	\$58,850,955
Less estimated income	47,421,891	59,006,784	(155,829)	58,850,955
General fund	\$0	\$15,000,000	(\$15,000,000)	\$0
FTE	44.00	49.00	(1.00)	48.00
Mill and Elevator				
Total all funds	\$76,994,824	\$88,377,209	\$0	\$88,377,209
Less estimated income	76,994,824	88,377,209	0	88,377,209
General fund	\$0	\$0	\$0	\$0
FTE	156.00	156.00	0.00	156.00
Bill total				
Total all funds	\$228,752,502	\$395,201,301	(\$129,694,827)	\$265,506,474
Less estimated income	201,498,304	339,360,051	(100,449,450)	238,910,601
General fund	\$27,254,198	\$55,841,250	(\$29,245,377)	\$26,595,873
FTE	493.75	484.75	(3.00)	481.75

Senate Bill No. 2014 - Industrial Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$23,409,450	\$23,945,998	(\$247,879)	\$23,698,119
Operating expenses	5,830,227	5,125,558		5,125,558
Capital assets		100,660		100,660
Grants - Bond payments	10,508,767	22,040,721		22,040,721
Contingencies	229,544			
Oil and gas research fund		14,000,000	(14,000,000)	
Total all funds	\$39,977,988	\$65,212,937	(\$14,247,879)	\$50,965,058
Less estimated income	12,723,790	24,371,687	(2,502)	24,369,185
General fund	\$27,254,198	\$40,841,250	(\$14,245,377)	\$26,595,873
FTE	112.25	108.25	0.00	108.25

Department 405 - Industrial Commission - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Underfunds Salaries and Wages ²	Adjusts Oil and Gas Research Transfer ³	Total House Changes
Salaries and wages	(\$33,519)	(\$214,360)		(\$247,879)
Operating expenses				
Capital assets				
Grants - Bond payments				
Contingencies				
Oil and gas research fund			(\$14,000,000)	(14,000,000)
Total all funds	(\$33,519)	(\$214,360)	(\$14,000,000)	(\$14,247,879)
Less estimated income	(2,502)	0	0	(2,502)
General fund	(\$31,017)	(\$214,360)	(\$14,000,000)	(\$14,245,377)
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

² Funding for salaries and wages is reduced for anticipated savings from vacant positions and employee turnover.

³ A transfer of \$14 million from the general fund to the oil and gas research fund, which was added by the Senate, is removed and replaced with a transfer of \$9.5 million from the strategic investment and improvements fund to the oil and gas research fund.

This amendment also:

- Removes authorization added by the Senate for the Public Finance Authority to issue up to \$100 million of bonds to support the long-term care facility loan fund.
- Provides a transfer of \$9.5 million from the strategic investment and improvements fund to the oil and gas research fund. The Senate provided a transfer of \$14 million from the general fund.
- Adjusts the transfer for administrative services related to salary increases to provide \$1,214,768. The Senate provided \$1,215,980.
- Clarifies the Public Finance Authority may make administrative agreements when distributing bond proceeds for loans or grants.
- Allows the Industrial Commission to issue bonds to support North Dakota Transmission Authority projects with a limit of 30 percent of the total project cost or 30 percent of the appraised value, whichever is greater.
- Clarifies the fees for the carbon dioxide storage facility fund and the carbon dioxide trust fund to reflect the impact of a storage facility and the source of carbon dioxide. The Senate did not include the clarification related to carbon dioxide storage fees.
- Retains the June 30, 2023, expiration date on the State Energy Research Center by removing sections added by the Senate, which removed the expiration date.
- Removes an increase of \$6 million related to oil and gas tax revenue allocations to the oil and gas research fund and maintains the current level of \$10 million of oil allocations per biennium. The senate increased the allocations to the oil and gas research fund by \$6 million, from \$10 million to \$16 million.
- Provides for the State Energy Research Center to conduct a study of hydrogen during the 2021-23 biennium. The Senate did not include this study.

Senate Bill No. 2014 - Bank of North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Capital assets	\$1,510,000	\$1,510,000		\$1,510,000
Bank of North Dakota operations	62,847,799	66,094,371	(\$291,119)	65,803,252
Bond proceeds		100,000,000	(100,000,000)	
Total all funds	\$64,357,799	\$167,604,371	(\$100,291,119)	\$67,313,252
Less estimated income	64,357,799	167,604,371	(100,291,119)	67,313,252
General fund	\$0	\$0	\$0	\$0
FTE	181.50	171.50	(2.00)	169.50

Department 471 - Bank of North Dakota - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Positions ²	Removes Bonding Proceeds ³	Total House Changes
Capital assets				
Bank of North Dakota operations	(\$18,018)	(\$273,101)		(\$291,119)
Bond proceeds			(\$100,000,000)	(100,000,000)
Total all funds	(\$18,018)	(\$273,101)	(\$100,000,000)	(\$100,291,119)
Less estimated income	(18,018)	(273,101)	(100,000,000)	(100,291,119)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	(2.00)	0.00	(2.00)

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

² Two new undesignated FTE positions and \$273,101 are removed to provide a total of 4 new undesignated FTE positions and \$546,201. The Senate added 6 new undesignated FTE positions and \$819,302 to support future growth in the Bank of North Dakota's operations.

³ Funding of \$100 million from bond proceeds is removed. The Senate authorized bonds to be issued for transfer to the long-term care facility loan fund to support loans for long-term care facility construction projects.

This amendment also:

- Removes a section added by the Senate to expand the infrastructure revolving loan fund, which included additional eligible projects, longer loan terms, increases in the loan amounts, and approval by the Department of Transportation and the State Water Commission for road and water projects, respectively; and
- Authorizes up to \$2.5 million from the school construction assistance revolving loan fund to continue interest rate buydowns on school construction loans held by the Bank of North Dakota.

Senate Bill No. 2014 - Housing Finance Agency - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,509,015	\$9,637,524	(\$155,829)	\$9,481,695
Operating expenses	5,346,276	6,144,060		6,144,060
Capital assets		150,000		150,000
Grants	33,466,600	42,975,200		42,975,200
HFA contingencies	100,000	100,000		100,000
Housing incentive fund		15,000,000	(15,000,000)	
Total all funds	\$47,421,891	\$74,006,784	(\$15,155,829)	\$58,850,955
Less estimated income	47,421,891	59,006,784	(155,829)	58,850,955
General fund	\$0	\$15,000,000	(\$15,000,000)	\$0
FTE	44.00	49.00	(1.00)	48.00

Department 473 - Housing Finance Agency - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Removes FTE Positions ²	Removes a Housing Incentive Fund Transfer ³	Total House Changes
Salaries and wages	(\$6,675)	(\$149,154)		(\$155,829)
Operating expenses				
Capital assets				
Grants				
HFA contingencies				
Housing incentive fund			(\$15,000,000)	(15,000,000)
Total all funds	(\$6,675)	(\$149,154)	(\$15,000,000)	(\$15,155,829)
Less estimated income	(6,675)	(149,154)	0	(155,829)
General fund	\$0	\$0	(\$15,000,000)	(\$15,000,000)
FTE	0.00	(1.00)	0.00	(1.00)

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The Senate provided salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300, and 2 percent on July 1, 2022.

² One new FTE position and \$149,154 are removed to provide a total of 2 new FTE positions and \$566,962 to manage the residential mortgage loan program, which is being transferred from the Bank of North Dakota. The Senate added 3 new FTE positions and \$716,116 to manage the residential mortgage loan program.

³ A section transferring \$15 million from the general fund to the housing incentive fund is removed. The Senate provided the transfer to support the housing incentive fund.

This amendment also removes a section that adjusted the amount of funding in the housing incentive fund designated for developing communities and projects to prevent homelessness.

