

HOUSE BILL NO. 1014

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the industrial
 2 commission and the agencies under its control; to create and enact a new section to chapter
 3 6-09, relating to a Bank of North Dakota retention incentive program; to amend and reenact
 4 sections 6-09.7-05 and 54-17.7-01, subsections 3 and 4 of section 54-17.7-04, and section
 5 54-63.1-01 of the North Dakota Century Code and section 8 of chapter 42 of the 2021 Session
 6 Laws, relating to fuel production facility loan guarantee reserve funding, the powers of the North
 7 Dakota pipeline authority, definitions for the clean sustainable energy authority, and a transfer of
 8 Bank of North Dakota profits to the general fund; to provide a contingent appropriation; to
 9 provide for a transfer; ~~and~~ to provide an exemption; to provide for a report; and to declare an
 10 emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 13 as may be necessary, are appropriated out of any moneys in the general fund in the state
 14 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 15 other income, to the industrial commission and agencies under its control for the purpose of
 16 defraying the expenses of the industrial commission and the agencies under its control, for the
 17 biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

18 Subdivision 1.

19 INDUSTRIAL COMMISSION

	<u>Governor's</u>		
	<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
20 <u>Salaries and wages</u>	<u>\$23,698,119</u>	<u>\$27,837,400</u>	<u>\$23,698,119</u>
21 <u>Operating expenses</u>	<u>5,119,958</u>	<u>6,839,798</u>	<u>5,119,958</u>
22 <u>Capital assets</u>	<u>0</u>	<u>128,000</u>	<u>0</u>

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1	Grants -- bond payments	22,040,721	119,879,913	22,040,721
2	Grants	0	8,892,485	0
3	Fossil restoration fund	0	250,000	0
4	Total all funds	\$50,858,798	\$163,827,596	\$50,858,798
5	Less estimated income	24,369,185	130,444,556	24,369,185
6	Total general fund	\$26,489,613	\$33,383,040	\$26,489,613
7	Full-time equivalent positions	108.25	115.75	108.25
8	— Subdivision 2:			
9	BANK OF NORTH DAKOTA			
10	Governor's			
11		<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
12	Bank of North Dakota operations	\$67,306,548	\$74,395,765	\$67,306,548
13	Capital assets	1,510,000	1,510,000	1,510,000
14	Total special funds	\$68,816,548	\$75,905,765	\$68,816,548
15	Full-time equivalent positions	173.00	181.00	173.00
16	— Subdivision 3:			
17	HOUSING FINANCE AGENCY			
18	Governor's			
19		<u>Base Level</u>	<u>Recommendation</u>	<u>Appropriation</u>
20	Salaries and wages	\$9,556,272	\$12,263,870	\$9,556,272
21	Operating expenses	6,109,060	10,738,241	6,109,060
22	Capital assets	150,000	20,000	150,000
23	Grants	42,975,200	47,875,322	42,975,200
24	Housing finance agency contingencies	100,000	100,000	100,000
25	Total all funds	\$58,890,532	\$70,997,433	\$58,890,532
26	Less estimated income	58,890,532	69,427,221	58,890,532
27	Total general fund	\$0	\$1,570,212	\$0
28	Full-time equivalent positions	49.00	52.00	49.00
29	— Subdivision 4:			
30	MILL AND ELEVATOR ASSOCIATION			

Governor's				
	Base Level	Recommendation	Appropriation	
Salaries and wages	\$50,560,209	\$57,565,044	\$50,560,209	
Operating expenses	36,817,000	42,391,653	36,817,000	
Contingencies	500,000	500,000	500,000	
Agriculture promotion	500,000	500,000	500,000	
Total special funds	\$88,377,209	\$100,956,697	\$88,377,209	
Full-time equivalent positions	156.00	170.00	156.00	
— Subdivision 5.				
TOTAL — SECTION 1				
	Governor's	Base Level	Recommendation	Appropriation
Grand total general fund	\$26,489,613	\$34,953,252	\$26,489,613	
Grand total special funds	240,453,474	376,734,239	240,453,474	
Grand total all funds	\$266,943,087	\$411,687,491	\$266,943,087	
Adjustments or				
	Base Level	Enhancements	Appropriation	
Salaries and wages	\$23,698,119	(\$21,226,883)	\$2,471,236	
Operating expenses	5,119,958	(1,412,940)	3,707,018	
Capital assets	0	1,250,000	1,250,000	
Grants	0	33,623,893	33,623,893	
Grants - bond payments	22,040,721	97,839,192	119,879,913	
Total all funds	\$50,858,798	\$110,073,262	\$160,932,060	
Less estimated income	24,369,185	132,138,019	156,507,204	
Total general fund	\$26,489,613	(\$22,064,757)	\$4,424,856	
Full-time equivalent positions	108.25	(98.50)	9.75	
Subdivision 2.				
DEPARTMENT OF MINERAL RESOURCES				
Adjustments or				
	Base Level	Enhancements	Appropriation	
Salaries and wages	\$0	\$25,401,022	\$25,401,022	
Operating expenses	0	11,410,044	11,410,044	

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1	Capital assets	0	80,000	80,000
2	Total all funds	\$0	\$36,891,066	\$36,891,066
3	Less estimated income	0	2,568,000	2,568,000
4	Total general fund	\$0	\$34,323,066	\$34,323,066
5	Full-time equivalent positions	0.00	108.00	108.00
6	<u>Subdivision 3.</u>			
7	<u>BANK OF NORTH DAKOTA</u>			
8			<u>Adjustments or</u>	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Bank of North Dakota operations	\$67,306,548	\$7,421,138	\$74,727,686
11	Capital assets	1,510,000	0	1,510,000
12	Total special funds	\$68,816,548	\$7,421,138	\$76,237,686
13	Full-time equivalent positions	173.00	14.00	187.00
14	<u>Subdivision 4.</u>			
15	<u>HOUSING FINANCE AGENCY</u>			
16			<u>Adjustments or</u>	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Salaries and wages	\$9,556,272	\$2,613,470	\$12,169,742
19	Operating expenses	6,109,060	4,629,181	10,738,241
20	Capital assets	150,000	(130,000)	20,000
21	Grants	42,975,200	5,829,910	48,805,110
22	Housing finance agency contingencies	100,000	0	100,000
23	Total all funds	\$58,890,532	\$12,942,561	\$71,833,093
24	Less estimated income	58,890,532	10,442,561	69,333,093
25	Total general fund	\$0	\$2,500,000	\$2,500,000
26	Full-time equivalent positions	49.00	4.00	53.00
27	<u>Subdivision 5.</u>			
28	<u>MILL AND ELEVATOR ASSOCIATION</u>			
29			<u>Adjustments or</u>	
30		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
31	Salaries and wages	\$50,560,209	\$7,022,585	\$57,582,794

1	Operating expenses	36,817,000	5,574,653	42,391,653
2	Contingencies	500,000	0	500,000
3	Agriculture promotion	500,000	0	500,000
4	Total special funds	\$88,377,209	\$12,597,238	\$100,974,447
5	Full-time equivalent positions	156.00	14.00	170.00

6 Subdivision 6.

7 TOTAL - SECTION 1

8			Adjustments or	
9		Base Level	Enhancements	Appropriation
10	Grand total general fund	\$26,489,613	\$14,758,309	\$41,247,922
11	Grand total special funds	240,453,474	165,166,956	405,620,430
12	Grand total all funds	\$266,943,087	\$179,925,265	\$446,868,352

13 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 14 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 15 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
 16 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

17	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
18	Paleontology and geological equipment	\$106,260	\$0
19	Transfer to clean sustainable energy fund	25,000,000	0
20	Pipeline grant fund	150,000,000	0
21	Abandoned well conversion program	3,200,000	0
22	Hydrogen grants	20,000,000	0
23	Bank of North Dakota - contingent loan repayment	17,500,000	0
24	Bank of North Dakota - bond proceed allocation	680,000,000	0
25	Bank of North Dakota - agriculture diversification fund	10,000,000	0
26	Bank of North Dakota - fuel production incentives	21,000,000	0
27	Housing finance agency - housing incentive fund	9,500,000	0
28	Housing finance agency - housing assessment	35,000	0
29	Total all funds	\$936,341,260	\$0
30	Less estimated income	874,235,000	0
31	Total general fund	\$62,106,260	\$0

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1	Administration - transfer to clean sustainable energy fund	\$25,000,000	\$0
2	Administration - pipeline grant fund	150,000,000	0
3	Administration - hydrogen grants	20,000,000	0
4	Administration - new employee expenses	0	12,110
5	Administration - transmission authority consulting	0	300,000
6	Administration - electricity grid resilience federal grant	0	8,623,893
7	Administration - lignite litigation expenses	0	3,000,000
8	Administration - transmission line grant	0	25,000,000
9	Administration - grant management software	0	1,250,000
10	Mineral resources - paleontology and geological equipment	106,260	0
11	Mineral resources - abandoned well conversion program	3,200,000	0
12	Mineral resources - new employee expenses	0	68,335
13	Mineral resources - inflationary expenses	0	821,456
14	Mineral resources - core and mineral analyses	0	100,000
15	Mineral resources - computer server transition	0	80,000
16	Mineral resources - abandoned well reclamation	0	2,300,000
17	Mineral resources - oil and gas litigation expenses	0	3,000,000
18	Bank of North Dakota - contingent loan repayment	17,500,000	0
19	Bank of North Dakota - bond proceed allocation	680,000,000	0
20	Bank of North Dakota - agriculture diversification fund	10,000,000	0
21	Bank of North Dakota - fuel production incentives	21,000,000	0
22	Bank of North Dakota - information technology projects	0	804,278
23	Housing finance agency - housing incentive fund	9,500,000	0
24	Housing finance agency - housing assessment	35,000	0
25	Total all funds	\$936,341,260	\$45,360,072
26	Less estimated income	874,235,000	8,744,647
27	Total general fund	\$62,106,260	\$36,615,425

28 The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
 29 the 2025-27 biennium. The industrial commission shall report to the appropriations committees
 30 of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium
 31 beginning July 1, 2023, and ending June 30, 2025.

1 **SECTION 3. BOND PAYMENTS.** The amount of ~~\$22,040,721~~\$119,879,913 included in
2 subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from
3 the following funding sources, during the biennium beginning July 1, 2023, and ending June 30,
4 2025:

5	North Dakota university system	\$17,204,639
6	North Dakota university system - energy conservation projects	415,114
7	Department of corrections and rehabilitation	492,354
8	Department of corrections and rehabilitation - energy conservation projects	8,181
9	Department of health and human services	341,365
10	Job service North Dakota	230,600
11	Office of management and budget	564,515
12	Attorney general's office	648,055
13	State historical society	1,179,015
14	Parks and recreation department	66,165
15	Research and extension service	483,447
16	Veterans' home	407,271
17	Total	\$22,040,721
18	<u>Infrastructure project and program bonds - legacy earnings fund</u>	<u>\$102,620,461</u>
19	<u>North Dakota university system</u>	<u>15,021,771</u>
20	<u>North Dakota university system - energy conservation projects</u>	<u>207,649</u>
21	<u>Department of corrections and rehabilitation</u>	<u>143,375</u>
22	<u>Office of management and budget</u>	<u>283,875</u>
23	<u>Attorney general's office</u>	<u>330,000</u>
24	<u>State historical society</u>	<u>592,375</u>
25	<u>Parks and recreation department</u>	<u>30,950</u>
26	<u>Agriculture research and extension service</u>	<u>242,205</u>
27	<u>Veterans' home</u>	<u>407,252</u>
28	<u>Total</u>	<u>\$119,879,913</u>

29 **SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.**

30 In addition to the amount appropriated to the housing finance agency in subdivision 3 of
31 section 1 of this Act, there is appropriated any additional income or unanticipated income from

1 federal or other funds which may become available to the agency, for the biennium beginning
2 July 1, 2023, and ending June 30, 2025. The housing finance agency shall notify the office of
3 management and budget and the legislative council of any additional income or unanticipated
4 income that becomes available to the agency resulting in an increase in appropriation authority.

5 **SECTION 5. APPROPRIATION - TRANSFER - 2021-23 BIENNIUM - DEPARTMENT OF**
6 **MINERAL RESOURCES - FULL-TIME EQUIVALENT POSITIONS.**

- 7 1. There is appropriated out of any moneys in the general fund in the state treasury, not
8 otherwise appropriated, the sum of \$62,460, or so much of the sum as may be
9 necessary, to the department of mineral resources for the purpose of employing
10 full-time equivalent carbon capture positions for the period beginning with the effective
11 date of this Act and ending June 30, 2023. The department is authorized three full-time
12 equivalent positions pursuant to this subsection.
- 13 2. There is appropriated out of any moneys in the general fund in the state treasury, not
14 otherwise appropriated, the sum of \$15,000, which the office of management and
15 budget shall transfer to the fossil excavation and restoration fund during the period
16 beginning with the effective date of this Act and ending June 30, 2023.

17 **SECTION 6. APPROPRIATION - TRANSFER - FOSSIL RESTORATION FUND -**
18 **HOUSING INCENTIVE FUND - ONE-TIME FUNDING.**

- 19 1. There is appropriated out of any moneys in the general fund in the state treasury, not
20 otherwise appropriated, the sum of \$250,000, which the office of management and
21 budget shall transfer to the fossil excavation and restoration fund during the biennium
22 beginning July 1, 2023, and ending June 30, 2025.
- 23 2. There is appropriated out of any moneys in the general fund in the state treasury, not
24 otherwise appropriated, the sum of \$12,500,000, which the office of management and
25 budget shall transfer to the housing incentive fund during the biennium beginning
26 July 1, 2023, and ending June 30, 2025.
- 27 3. The funding provided in this section is considered a one-time funding item.

28 **SECTION 7. CONTINGENT FUNDING - HOUSING FINANCE AGENCY.** The sum of
29 \$82,068 from other funds and one full-time equivalent position included in subdivision 4 of
30 section 1 of this Act are available only in accordance with the provisions of this section. If
31 mortgage loan production for the fiscal year ended June 30, 2024, exceeds \$435,000,000, the

1 housing finance agency may spend \$82,068 from the salaries and wages line item and may hire
2 one full-time equivalent position. The housing finance agency shall notify the office of
3 management and budget and the legislative council if the contingency is met.

4 **SECTION 8. TRANSFER - ENTITIES UNDER THE CONTROL OF THE INDUSTRIAL**
5 **COMMISSION TO INDUSTRIAL COMMISSION FUND - EXEMPTION.**

6 1. The sum of ~~\$1,214,768~~\$1,899,877, or so much of the sum as may be necessary,
7 included in the appropriation in subdivision 1 of section 1 of this Act, may be
8 transferred from the entities within the control of the industrial commission or entities
9 directed to make payments to the industrial commission fund for administrative
10 services rendered by the commission. Transfers must be made during the biennium
11 beginning July 1, 2023, and ending June 30, 2025, upon order of the commission.
12 Transfers from the student loan trust fund must be made to the extent permitted by
13 sections 54-17-24 and 54-17-25.

14 2. The amount of \$1,214,768 appropriated to the industrial commission in subdivision 1
15 of section 1 of chapter 42 of the 2021 Session Laws and transferred pursuant to
16 section 7 of chapter 42 of the 2021 Session Laws is not subject to the provisions of
17 section 54-44.1-11. Any unexpended funds from this appropriation are available to the
18 industrial commission for administrative services rendered by the commission during
19 the biennium beginning July 1, 2023, and ending June 30, 2025.

20 **SECTION 9. TRANSFER - FUNDS UNDER THE CONTROL OF THE INDUSTRIAL**
21 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of \$1,250,000, or so much of
22 the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this
23 Act, may be transferred from funds under the control of the industrial commission to the
24 industrial commission fund for grant management software expenses. Of the \$1,250,000, the
25 industrial commission may transfer:

- 26 1. Up to \$250,000 from the clean sustainable energy fund;
- 27 2. Up to \$250,000 from the lignite research fund;
- 28 3. Up to \$250,000 from the oil and gas research fund;
- 29 4. Up to \$250,000 from the North Dakota outdoor heritage fund; and
- 30 5. Up to \$250,000 from the renewable energy development fund.

1 **SECTION 10. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND.**

2 The ~~industrial commission~~ Bank of North Dakota shall transfer ~~\$140,000,000~~ \$70,000,000 from
3 the Bank's current earnings and ~~the accumulated~~ undivided profits ~~of the Bank of North Dakota~~
4 to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The
5 moneys must be transferred in the amounts and at the times requested by the director of the
6 office of management and budget after consultation with the Bank of North Dakota president.
7 For legislative council budget status reporting purposes, the transfer under this section is
8 considered an ongoing revenue source.

9 ~~— SECTION 8. TRANSFER - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.~~

10 ~~The Bank of North Dakota shall transfer the sum of \$26,000,000, or so much of the sum as may~~
11 ~~be necessary, from the Bank's current earnings and undivided profits to the partnership in~~
12 ~~assisting community expansion fund during the biennium beginning July 1, 2023, and ending~~
13 ~~June 30, 2025.~~

14 ~~— SECTION 9. TRANSFER - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY~~

15 ~~EXPANSION.~~ The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the
16 sum as may be necessary, from the Bank's current earnings and undivided profits to the
17 agriculture partnership in assisting community expansion fund during the biennium beginning
18 July 1, 2023, and ending June 30, 2025.

19 ~~— SECTION 10. TRANSFER - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY~~

20 ~~EXPANSION.~~ The Bank of North Dakota shall transfer the sum of \$1,000,000, or so much of the
21 sum as may be necessary, from the Bank's current earnings and undivided profits to the
22 biofuels partnership in assisting community expansion fund during the biennium beginning
23 July 1, 2023, and ending June 30, 2025.

24 ~~— SECTION 11. TRANSFER - BEGINNING FARMER REVOLVING LOAN FUND.~~ The Bank

25 of North Dakota shall transfer the sum of \$8,000,000, or so much of the sum as may be
26 necessary, from the Bank's current earnings and undivided profits to the beginning farmer
27 revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

28 **SECTION 11. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO ECONOMIC**

29 **DEVELOPMENT PROGRAMS.** During the biennium beginning July 1, 2023, and ending
30 June 30, 2025, the Bank of North Dakota shall transfer the following amounts from the Bank's
31 current earnings and undivided profits:

- 1 1. \$39,000,000 to the partnership in assisting community expansion fund;
- 2 2. \$5,000,000 to the agriculture partnership in assisting community expansion fund;
- 3 3. \$1,000,000 to the biofuels partnership in assisting community expansion fund;
- 4 4. \$15,000,000 to the beginning farmer revolving loan fund; and
- 5 5. \$3,000,000 to the agricultural products utilization fund.

6 **SECTION 12. TRANSFER - LEGACY EARNINGS FUND - PIPELINE LEAK DETECTION**
7 **AND PREVENTION PROGRAM - CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS.**

8 During the biennium beginning July 1, 2023, and ending June 30, 2025, and pursuant to the
9 designation of funding for other legislative purposes under subdivision c of subsection 4 of
10 section 21-10-13, the state treasurer shall transfer the following amounts from the legacy
11 earnings fund:

- 12 1. \$5,000,000 to the oil and gas research fund for a pipeline leak detection and
13 prevention program;
- 14 2. \$50,000,000 to the clean sustainable energy fund for grants; and
- 15 3. \$250,000,000 to the clean sustainable energy fund to repay a line of credit and to
16 provide funding for loans.

17 **SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
18 **STATE ENERGY RESEARCH CENTER FUND - RARE EARTH MINERALS STUDY -**
19 **REPORT TO LEGISLATIVE MANAGEMENT.**

- 20 1. The office of management and budget shall transfer the sum of \$3,000,000 from the
21 strategic investment and improvements fund to the state energy research center fund
22 during the biennium beginning July 1, 2023, and ending June 30, 2025.
- 23 2. Pursuant to the continuing appropriation under section 57-51.1-07.9, the industrial
24 commission shall distribute up to \$3,000,000 from the state energy research center
25 fund to the state energy research center for a study related to prospective in-state
26 resources of economically feasible accumulations of critical minerals, including rare
27 earth elements and other high-value minerals or materials that may be suitable for
28 extraction and enrichment.
- 29 3. The study must include a review of in-state mineral accumulations, including coal
30 deposits, ore bodies, oil and gas reservoirs, produced water from oil and gas
31 development activities, saltwater zones, and shale formations. While conducting the

1 study, the state energy research center shall collaborate with the North Dakota
2 geological survey and active mineral lessors and developers.

3 4. During the 2023-24 interim, the state energy research center shall provide at least one
4 report to the legislative management regarding the study.

5 **SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
6 **STATE ENERGY RESEARCH CENTER FUND - UNDERGROUND ENERGY STORAGE**
7 **RESEARCH PROJECT - REPORT TO LEGISLATIVE MANAGEMENT.**

8 1. The office of management and budget shall transfer the sum of \$22,000,000 from the
9 strategic investment and improvements fund to the state energy research center fund.

10 2. Pursuant to the continuing appropriation authority under section 57-51.1-07.9, the
11 industrial commission shall distribute up to \$22,000,000 from the state energy
12 research center fund to the state energy research center for a salt cavern underground
13 energy storage research project.

14 3. The research project must include construction of up to two salt caverns in geological
15 formations in North Dakota for the development of underground storage of energy
16 resources, including natural gas, liquified natural gas, natural gas liquids, and
17 hydrogen. The state energy research center may collaborate with other entities as
18 needed on the research project. Prior to distributing the funding, the industrial
19 commission must receive, from at least one nonstate entity, assurance of financial or
20 other types of support that demonstrate a commitment to the research project.

21 4. During the 2023-24 interim, the state energy research center shall provide quarterly
22 reports to the industrial commission and at least one report to the legislative
23 management regarding the status and results of the research project.

24 **SECTION 15. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**
25 **FUND - TRANSMISSION LINE GRANT.** The sum of \$25,000,000 included in the grants line
26 item and the estimated income line item in subdivision 1 of section 1 of this Act and identified as
27 one-time funding in section 2 of this Act is from the strategic investment and improvements
28 fund. The industrial commission shall use the funding to provide a grant, based on the
29 recommendation of the North Dakota transmission authority, to an entity for a project to upgrade
30 a high-voltage direct current transmission line. A grant may be awarded only if the project to
31 upgrade a transmission line has been approved by the public service commission.

1 **SECTION 16. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**
2 **LIGNITE MARKETING FEASIBILITY STUDY - REPORT TO THE SIXTY-NINTH**

3 **LEGISLATIVE ASSEMBLY.** ~~The amount of \$4,500,000 from the lignite research fund, or so~~
4 ~~much of the amount as may be necessary;~~

5 1. Pursuant to the continuing appropriation under section 57-61-01.6, up to \$4,500,000

6 from the lignite research fund may be used for the purpose of contracting for an
7 independent, nonmatching lignite marketing feasibility study or studies that determine
8 those focused priority areas where near-term, market-driven projects, activities, or
9 processes will generate matching private industry investment and have the most
10 potential of preserving existing lignite production and industry jobs or that will lead to
11 increased development of lignite and its products and create new lignite industry jobs
12 and economic growth for the general welfare of this state. Moneys ~~appropriated~~
13 ~~pursuant to~~ designated under this section also may be used for the purpose of
14 contracting for nonmatching studies and activities in support of advanced energy
15 technology and other technology development programs; for litigation that may be
16 necessary to protect and promote the continued development of lignite resources; for
17 nonmatching externality studies and activities in externality proceedings; or other
18 marketing, environmental, or transmission activities that assist with marketing of
19 lignite-based electricity and lignite-based byproducts. Moneys needed for the
20 purposes stated in this section are available to the industrial commission for funding
21 projects, processes, or activities under the lignite research, development, and
22 marketing program.

23 2. The industrial commission shall report to the appropriations committees of the sixty-
24 ninth legislative assembly on the amounts spent pursuant to this section.

25 ~~—SECTION 12. EXEMPTION – INDUSTRIAL COMMISSION FUND. The amount of~~
26 ~~\$1,172,603 appropriated to the industrial commission in subdivision 1 of section 1 of chapter 42~~
27 ~~of the 2021 Session Laws and transferred pursuant to section 7 of chapter 42 of the~~
28 ~~2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended~~
29 ~~funds from this appropriation are available to the industrial commission for administrative~~
30 ~~services rendered by the commission during the biennium beginning July 1, 2023, and ending~~
31 ~~June 30, 2025.~~

1 **SECTION 17.** A new section to chapter 6-09 of the North Dakota Century Code is created
2 and enacted as follows:

3 **Employee recruitment and retention incentive program - Report to legislative**
4 **management.**

5 The Bank of North Dakota may develop an employee recruitment and retention incentive
6 program that promotes profitability and productivity. The provisions of the program must be
7 approved annually by the Bank of North Dakota advisory board of directors and the industrial
8 commission. The provisions must ensure that the amount available for program funding does
9 not exceed one percent of the Bank's annual profits and that program may receive funding only
10 if the Bank's profits exceed one hundred million dollars for the year. Each interim, the Bank shall
11 provide at least one report to the legislative management regarding the status of the program,
12 including the provisions of the program; the total amount of the Bank's profits used to fund the
13 program; the total amount of incentives paid out to employees each year; and the minimum,
14 maximum, and average payout per eligible full-time equivalent position.

15 **SECTION 18. AMENDMENT.** Section 6-09.7-05 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **6-09.7-05. Establishment and maintenance of adequate guarantee funds - Use of**
18 **strategic investment and improvements fund.**

19 The Bank of North Dakota shall establish and at all times maintain an adequate guarantee
20 reserve fund in a special account in the Bank. The Bank may request the director of the office of
21 management and budget to transfer funds from the strategic investment and improvements
22 fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve
23 fund balance. Transfers from the strategic investment and improvements fund may not exceed
24 a total of ~~eighty~~one hundred forty million dollars. Moneys in the guarantee reserve fund are
25 available to reimburse lenders, including the Bank, for guaranteed loans in default. The
26 securities in which the moneys in the reserve fund may be invested must meet the same
27 requirements as those authorized for investment under the state investment board. The income
28 from such investments must be made available for the costs of administering the state
29 guarantee loan program and income in excess of that required to pay the cost of administering
30 the program must be deposited in the reserve fund. The amount of reserves for all guaranteed

1 loans must be determined by a formula that will assure, as determined by the Bank, an
2 adequate amount of reserve.

3 **SECTION 19. AMENDMENT.** Section 54-17.7-01 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-17.7-01. North Dakota pipeline authority - Legislative intent.**

6 There is created the North Dakota pipeline authority, which shall be governed by the
7 industrial commission. It is the intent of the legislative assembly that the pipeline authority
8 consider the operations, finances, and market positions of private entities engaged in pipeline
9 activities while carrying out the purposes of this chapter to avoid competing with private entities
10 to the extent possible.

11 **SECTION 20. AMENDMENT.** Subsection 3 of section 54-17.7-04 of the North Dakota
12 Century Code is amended and reenacted as follows:

- 13 3. Acquire, purchase, hold, use, lease, license, sell, transfer, and dispose of an undivided
14 or other interest in or the right to capacity in any pipeline system or systems, including
15 interconnection of pipeline systems, within or without the state of North Dakota in
16 order to facilitate the production, transportation, distribution, or delivery of
17 energy-related commodities produced in North Dakota ~~as a purchaser of last resort.~~
18 ~~The obligation of the state may not exceed ten percent of the pipeline authority's~~
19 ~~acquisition or purchase of a right to capacity in any pipeline system or systems, or~~
20 ~~interconnection of pipeline systems, and the state's obligation is limited to the funding~~
21 ~~available from the oil and gas research fund.~~ If the authority acquires, purchases,
22 holds, uses, or leases capacity positions, the authority shall sell, transfer, release, or
23 dispose of the capacity positions at intervals that are no more frequent than monthly
24 and in an amount that is equal to or greater than the market rate, but only if the sale,
25 transfer, release, or disposal of the capacity positions is sufficient to cover the
26 expenses and obligations incurred. The authority's contract obligations for the capacity
27 positions are limited to the capacity rates, charges, and terms.

28 **SECTION 21. AMENDMENT.** Subsection 4 of section 54-17.7-04 of the North Dakota
29 Century Code is amended and reenacted as follows:

- 30 4. Borrow money and issue evidences of indebtedness as provided in this chapter,
31 including borrowing from the Bank of North Dakota.

- a. The authority may borrow up to sixty million dollars through a line of credit from the Bank. The interest rate on the line of credit must be the prevailing interest rate charged to North Dakota governmental entities.
- b. The line of credit must be guaranteed by reserves under section 6-09.7-05.
- c. The line of credit may be used to support activities under subsection 3.
- d. The authority shall repay the line of credit from amounts available. If the amounts available on June 30, 2025, are not sufficient to repay the line of credit, the authority shall notify the director of the office of management and budget, and the director of the office of management and budget shall transfer funds from the strategic investment and improvements fund to the Bank for the repayment pursuant to section 6-09.7-05 based on the amount certified by the Bank.

SECTION 22. AMENDMENT. Section 54-63.1-01 of the North Dakota Century Code is amended and reenacted as follows:

54-63.1-01. Definitions.

As used in this chapter:

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

SECTION 23. AMENDMENT. Section 8 of chapter 42 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND. The industrial commission shall transfer to the general fund ~~\$140,000,000~~ \$70,000,000 from the current earnings and the accumulated profits of

1 the Bank of North Dakota during the biennium beginning July 1, 2021, and ending
2 June 30, 2023. The moneys must be transferred in the amounts and at the times
3 requested by the director of the office of management and budget after consultation
4 with the Bank of North Dakota president. For legislative council budget status reporting
5 purposes, the transfer under this section is considered an ongoing revenue source.

6 **SECTION 24. EXEMPTION - MILL AND ELEVATOR ASSOCIATION PROFITS ANNUAL**
7 **TRANSFER.** Notwithstanding the provisions of section 54-18-19 relating to the annual transfer
8 of mill and elevator association profits to the general fund, for the biennium beginning July 1,
9 2023, and June 30, 2025, the industrial commission shall transfer ten percent of the mill and
10 elevator association profits to the general fund.

11 **SECTION 25. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH**
12 **DAKOTA OUTDOOR HERITAGE FUND - OIL AND GAS RESEARCH FUND.**

- 13 1. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the
14 North Dakota outdoor heritage fund, for the period beginning September 1, 2023, and
15 ending August 31, 2025, the state treasurer shall allocate eight percent of the oil and
16 gas gross production tax revenue available under subsection 1 of section 57-51-15 to
17 the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000
18 per fiscal year.
- 19 2. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the
20 oil and gas research fund, for the period beginning August 1, 2023, and ending
21 July 31, 2025, the state treasurer shall allocate two percent of the oil and gas gross
22 production tax and oil extraction tax revenues, up to \$14,500,000, into the oil and gas
23 research fund before allocating oil and gas tax revenues under sections 57-51.1-07.5,
24 57-51.1-07.9, and 57-51.1-07.10.

25 **SECTION 26. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
26 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
27 the biennium beginning July 1, 2023, and ending June 30, 2025:

- 28 1. The sum of \$3,200,000 appropriated from the federal state fiscal recovery fund for an
29 abandoned oil well conversion to water supply grant program in subsection 2 of
30 section 1 of chapter 550 of the 2021 Special Session Session Laws;

- 1 2. The sum of \$20,000,000 appropriated from the federal state fiscal recovery fund for
2 hydrogen development grants in subsection 36 of section 1 of chapter 550 of the 2021
3 Special Session Session Laws; and
- 4 3. The sum of \$800,000 appropriated from the strategic investment and improvements
5 fund in section 2 of chapter 426 of the 2017 Session Laws and continued into the
6 2019-21 biennium pursuant to section 27 of chapter 14 of the 2019 Session Laws and
7 into the 2021-23 biennium pursuant to section 33 of chapter 42 of the 2021 Session
8 Laws.

9 **SECTION 27. EMERGENCY.** The following are declared to be an emergency measure:

- 10 1. The sum of \$3,000,000 from the general fund in the operating expenses line item
11 included in subdivision 1 of section 1 of this Act and identified as one-time funding in
12 section 2 of this Act for lignite litigation expenses.
- 13 2. The sum of \$3,000,000 from the general fund in the operating expenses line item
14 included in subdivision 2 of section 2 of this Act and identified as one-time funding in
15 section 2 of this Act for oil and gas litigation expenses.
- 16 3. The sum of \$230,000 from the general fund in the operating expenses line item
17 included in subdivision 2 of section 1 of this Act for computer server transition.
- 18 4. The sum of \$80,000 from the general fund in the operating expenses line item
19 included in subdivision 2 of section 1 of this Act and identified as one-time funding in
20 section 2 of this Act for computer server transition.
- 21 5. Section 5 of this Act.
- 22 6. Section 23 of this Act.