

February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1008

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public service
2 commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota
3 Century Code, relating to the salaries of the public service commissioners and deposits of
4 special fuels excise taxes; and to provide loan authorization.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the public service commission for the purpose of defraying the expenses of the
10 public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$11,026,304	\$0	\$11,026,304
15 Operating expenses	2,205,487	0	2,205,487
16 Capital assets	25,000	0	25,000
17 Grants	20,000	0	20,000
18 Abandoned mined lands contractual	6,000,000	0	6,000,000
19 — services			

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1	Rail rate complaint case	900,000	0	900,000
2	Railroad safety program	672,206	0	672,206
3	Specialized legal services	420,000	0	420,000
4	Total all funds	\$21,268,997	\$0	\$21,268,997
5	Less other funds	13,779,645	0	13,779,645
6	Total general fund	\$7,489,352	\$0	\$7,489,352
7	Full-time equivalent positions	45.00	0.00	45.00
8	Salaries and wages	\$11,026,304	\$1,108,083	\$12,134,387
9	New and vacant FTE pool	0	265,735	265,735
10	Operating expenses	2,205,487	417,167	2,622,654
11	Capital assets	25,000	205,000	230,000
12	Grants	20,000	0	20,000
13	Abandoned mined lands contractual	6,000,000	0	6,000,000
14	services			
15	Rail rate complaint case	900,000	0	900,000
16	Railroad safety program	672,206	41,024	713,230
17	Specialized legal services	420,000	(19,834)	400,166
18	Total all funds	\$21,268,997	\$2,017,175	\$23,286,172
19	Less other funds	13,779,645	454,823	14,234,468
20	Total general fund	\$7,489,352	\$1,562,352	\$9,051,704
21	Full-time equivalent positions	45.00	0.00	45.00

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

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

One-Time Funding Description	General Fund	Other Funds	Total
Drone imaging technology	\$5,580	\$149,420	\$155,000
Federal intervention funding	250,000	0	250,000
Total	\$255,580	\$149,420	\$405,000

1 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
2 public service commission may not spend funds appropriated in the new and vacant FTE pool
3 line item in section 1 of this Act, but may request the office of management and budget to
4 transfer funds from the new and vacant FTE pool line item to the salaries and wages and
5 railroad safety program line items in accordance with the guidelines and reporting provisions
6 included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

7 **SECTION 4. RAIL RATE COMPLAINT CASE - LOAN AUTHORIZATION.** The public
8 service commission may obtain a loan from the Bank of North Dakota for costs associated with
9 a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated
10 with the loan must be the prevailing interest rate charged to North Dakota governmental
11 entities. The public service commission shall repay the loan from amounts available from
12 damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint
13 case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the
14 loan, the public service commission may request a deficiency appropriation from the legislative
15 assembly to repay the loan.

16 **SECTION 5. AMENDMENT.** Section 49-01-05 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **49-01-05. Salary of commissioners.**

19 The annual salary of a commissioner is ~~one hundred thirty thousand dollars through~~
20 ~~June 30, 2024, and one hundred thirty five thousand two hundred one hundred thirty-nine~~
21 ~~thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three~~
22 ~~thousand four hundred thirty-four dollars thereafter.~~ All fees received or charged by any
23 commissioner for any act or service rendered in any official capacity must be accounted for and
24 paid over by the commissioner monthly to the state treasurer and must be credited to the
25 general fund of the state.

26 **SECTION 6. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.2-19. Transfer, deposit, and distribution of funds.**

29 All taxes, license fees, penalties, and interest collected under this chapter must be
30 transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund,
31 except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section

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1 | ~~57-43.2-03 of up to three hundred thirty-two thousand three hundred twenty-seven~~
2 | ~~hundred fifty-two thousand eight hundred ninety-two~~ dollars per year must be transferred to the
3 | state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution
4 | fund must be distributed in the manner as prescribed by section 54-27-19.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$11,026,304	\$1,108,083	\$12,134,387
New and vacant FTE pool		265,735	265,735
Operating expenses	2,205,487	417,167	2,622,654
Capital assets	25,000	205,000	230,000
Grants	20,000		20,000
Abandoned mined lands contractual	6,000,000		6,000,000
Rail rate complaint case	900,000		900,000
Railroad safety program	672,206	41,024	713,230
Specialized legal services	420,000	(19,834)	400,166
Total all funds	\$21,268,997	\$2,017,175	\$23,286,172
Less estimated income	13,779,645	454,823	14,234,468
General fund	\$7,489,352	\$1,562,352	\$9,051,704
FTE	45.00	0.00	45.00

Department 408 - Public Service Commission - Detail of House Changes

	Adjusts Base Budget Funding ¹	Adds Funding for Cost to Continue Salaries ²	Adds Funding for Salary and Benefit Increases ³	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁴	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁵	Adds Funding for Operating Costs ⁶
Salaries and wages	(\$174,866)	\$151,844	\$696,806	\$795,986	(\$361,687)	
New and vacant FTE pool					265,735	
Operating expenses	(87,973)					\$255,140
Capital assets						
Grants						
Abandoned mined lands contractual						
Rail rate complaint case						
Railroad safety program		9,606	34,016	15,336	(17,934)	
Specialized legal services	(19,834)					
Total all funds	(\$282,673)	\$161,450	\$730,822	\$811,322	(\$113,886)	\$255,140
Less estimated income	(282,673)	18,945	296,009	264,504	(46,007)	4,625
General fund	\$0	\$142,505	\$434,813	\$546,818	(\$67,879)	\$250,515
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Federal Funding for Drone Purchase ⁷	Adds One-Time Funding ⁸	Total House Changes
Salaries and wages			\$1,108,083
New and vacant FTE pool			265,735
Operating expenses		\$250,000	417,167
Capital assets	\$50,000	155,000	205,000
Grants			
Abandoned mined lands contractual			
Rail rate complaint case			
Railroad safety program			41,024
Specialized legal services			(19,834)
Total all funds	\$50,000	\$405,000	\$2,017,175
Less estimated income	50,000	149,420	454,823
General fund	\$0	\$255,580	\$1,562,352
FTE	0.00	0.00	0.00

¹ Funding is adjusted for estimated changes in federal funds and other budget adjustments.

² Funding is added for cost to continue 2023-25 biennium salary increases.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$274,922	\$185,662	\$460,584
Health insurance increase	<u>159,891</u>	<u>110,347</u>	<u>270,238</u>
Total	\$434,813	\$296,009	\$730,822

⁴ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	General Fund	Other Funds	Total
Vacant FTE positions	\$181,788	\$125,902	\$307,690
New FTE positions	<u>365,030</u>	<u>138,602</u>	<u>503,632</u>
Total	\$546,818	\$264,504	\$811,322

⁵ Funding of \$379,621 is removed for estimated savings from vacant 2025-27 FTE positions and \$265,735 is added for a new and vacant FTE pool line item resulting in net savings of \$113,886.

	General Fund	Other Funds	Total
Vacant FTE positions	(\$226,262)	(\$153,359)	(\$379,621)
Funding pool line item	<u>158,383</u>	<u>107,352</u>	<u>265,735</u>
Net savings	(\$67,879)	(\$46,007)	(\$113,886)

⁶ Funding is added for the following operating costs:

	General Fund	Other Funds	Total
Information technology costs	\$64,692	\$0	\$64,692
Increased rent and operating costs	<u>185,823</u>	<u>4,625</u>	<u>190,448</u>
Total	\$250,515	\$4,625	\$255,140

⁷ Federal capital assets funding is added for the purchase of a drone.

⁸ One-time funding is added for the following items:

	General Fund	Other Funds	Total
Drone remote sensing technology	\$5,580	\$149,420	\$155,000
Federal intervention funding	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total	\$255,580	\$149,420	\$405,000

House Bill No. 1008 - Other Changes - House Action

This amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Amends Section 49-01-05 providing 3 percent annual salary increases for the Public Service Commissioners.
- Amends Section 57-43.2-19 increasing the amount of special fuels excise taxes deposited in the rail safety fund.