

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

Fifty-eighth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1015**

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 a  
3 continuing appropriation; to provide for an industrial commission review; to provide an  
4 exemption; to authorize transfers; and to declare an emergency.

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  
7 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
9 other income, to the state industrial commission and agencies under its control for the purpose  
10 of defraying the expenses of their various divisions, for the biennium beginning July 1, 2003,  
11 and ending June 30, 2005, as follows:

12 Subdivision 1.

13	INDUSTRIAL COMMISSION	
14	Salaries and wages	\$6,244,663
15	Operating expenses	1,904,767
16	Capital assets	68,300
17	Grants	16,270,000
18	Bond payments	<u>19,830,990</u>
19	Total all funds	\$44,318,720
20	Less estimated income	<u>37,291,836</u>
21	Total general fund appropriation	\$7,026,884

22 Subdivision 2.

23 BANK OF NORTH DAKOTA - OPERATIONS

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1	Salaries and wages	\$16,527,614
2	Operating expenses	10,925,665
3	Capital assets	825,000
4	Contingencies	<u>1,500,000</u>
5	Total appropriation from Bank of North Dakota fund	\$29,778,279

6 Subdivision 3.

7 BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

8	Partnership in assisting community expansion fund	\$5,700,000
9	Agriculture partnership in assisting community expansion fund	1,425,000
10	Beginning farmer	<u>950,000</u>
11	Total general fund appropriation	\$8,075,000

12 Subdivision 4.

13 MILL AND ELEVATOR ASSOCIATION

14	Salaries and wages	\$16,690,956
15	Operating expenses	12,991,196
16	Contingencies	250,000
17	Agriculture promotion	<u>50,000</u>
18	Total appropriation from mill and elevator fund	\$29,982,152

19 Subdivision 5.

20 HOUSING FINANCE AGENCY

21	Salaries and wages	\$3,929,907
22	Operating expenses	2,391,480
23	Grants	27,168,380
24	HFA contingencies	<u>100,000</u>
25	Total appropriation from housing finance agency fund	\$33,589,767

26 Grand total general fund appropriation H.B. 1015 \$15,101,884

27 Grand total special funds appropriation H.B. 1015 \$130,642,034

28 Grand total all funds appropriation H.B. 1015 \$145,743,918

29 **SECTION 2. APPROPRIATION.** In addition to the amount appropriated to the housing

30 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, 2003, and ending June 30, 2005.

3 **SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In  
4 addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of  
5 this 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  
7 industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for the biennium  
8 beginning July 1, 2003, and ending June 30, 2005.

9 **SECTION 4. TRANSFER.** The sum of \$66,407, or so much of the sum as may be  
10 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of  
11 this Act, is from the North Dakota mill and elevator association. The moneys must be  
12 transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order  
13 of the industrial commission.

14 **SECTION 5. TRANSFER.** The sum of \$86,656, or so much of the sum as may be  
15 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of  
16 this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The  
17 moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30,  
18 2005, upon order of the industrial commission.

19 **SECTION 6. TRANSFER.** The sum of \$57,760, or so much of the sum as may be  
20 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of  
21 this Act, is from the housing finance agency fund. The moneys must be transferred during the  
22 biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial  
23 commission.

24 **SECTION 7. TRANSFER.** The sum of \$20,248, or so much of the sum as may be  
25 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of  
26 this Act, is from the revenues of the municipal bond bank. The available moneys must be  
27 transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order  
28 of the industrial commission.

29 **SECTION 8. INCOME AUTHORIZATION - STUDENT LOAN TRUST.** There is  
30 authorized the receipt of fees by the industrial commission in the sum of \$76,655, or so much of  
31 the sum as is owed, included in the special funds appropriation line item in subdivision 1 of

1 section 1 of this Act, from the student loan trust for administrative services rendered by the  
2 industrial commission to the extent permitted by sections 54-17-24 and 54-17-25. The fees  
3 must be received during the biennium beginning July 1, 2003, and ending June 30, 2005, upon  
4 order of the industrial commission.

5 **SECTION 9. TRANSFER - INDUSTRIAL COMMISSION REPORT.** The industrial  
6 commission shall transfer to the general fund in the state treasury, the sum of \$5,000,000 from  
7 the North Dakota mill and elevator association. The moneys must be transferred in amounts  
8 and at such times as requested by the director of the office of management and budget during  
9 the biennium beginning July 1, 2003, and ending June 30, 2005. The cumulative transfers  
10 during the 2003-05 biennium may not exceed the mill and elevator association's estimated net  
11 income for the 2003-05 biennium as projected by the industrial commission. The industrial  
12 commission shall report to the fifty-ninth legislative assembly regarding the mill and elevator  
13 association's net income to date and estimated net income for the remainder of the 2003-05  
14 biennium.

15 **SECTION 10. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING**  
16 **PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount  
17 of \$1,300,000, or so much of the amount as may be necessary, included in the grants and  
18 special funds appropriation line items in subdivision 1 of section 1 of this Act, is appropriated  
19 from the lignite research fund for the purpose of contracting for independent, nonmatching  
20 lignite marketing feasibility study or studies that determine those focused priority areas where  
21 near-term, market-driven projects, activities, or processes will generate matching private  
22 industry investment and have the most potential of preserving existing lignite production and  
23 jobs or that will lead to increased development of lignite and its products and create new jobs  
24 and economic growth for the general welfare of this state. Moneys appropriated pursuant to  
25 this section may also be used for the purpose of contracting for nonmatching studies and  
26 activities in support of the Lignite Vision 21 project; for nonmatching externality studies and  
27 activities in externality proceedings; or other marketing or environmental activities that assist  
28 with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for  
29 the purposes stated herein are available to the commission for funding projects, processes, or  
30 activities under the lignite research, development, and marketing program.

1           **SECTION 11. LEGISLATIVE INTENT - LEASE PAYMENTS.** The amount of  
2 \$19,830,990 included in subdivision 1 of section 1 of this Act in the bond payments line item  
3 must be paid from the following funding sources during the biennium beginning July 1, 2003,  
4 and ending June 30, 2005:

5 Higher education institutions	\$12,790,689
6 Department of corrections and rehabilitation -	
7 State penitentiary	2,117,009
8 Department of corrections and rehabilitation -	
9 Youth correctional center	554,598
10 State department of health	387,673
11 Job service North Dakota	553,594
12 Department of human services - Southeast human service center	589,075
13 Department of human services - State hospital	547,608
14 Department of human services - Developmental center at	
15 westwood park, Grafton	627,582
16 Adjutant general	60,987
17 Veterans' home improvement fund	<u>235,050</u>
18 Total	\$18,463,865
19 University system energy conservation projects	<u>\$1,367,125</u>
20 Total	\$19,830,990

21           **SECTION 12. APPROPRIATION - TRANSFER.** The funds appropriated by  
22 subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the  
23 partnership in assisting community expansion fund established by section 6-09.14-02; the  
24 agriculture partnership in assisting community expansion fund established by section  
25 6-09.13-04; and the beginning farmer loan fund established by section 6-09-15.5 in the  
26 amounts set out in that subdivision. The Bank of North Dakota may not be construed to be a  
27 general fund agency because of the appropriation made by subdivision 3 of section 1 of this  
28 Act.

29           **SECTION 13. EXEMPTION.** The Bank of North Dakota contingencies appropriation  
30 contained in subdivision 2 of section 1 of chapter 40 of the 2001 Session Laws is not subject to  
31 the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are

1 available for the continued development and implementation of systems that provide the Bank  
2 of North Dakota and student loans of North Dakota customers with the ability to perform  
3 business activity electronically during the biennium beginning July 1, 2003, and ending  
4 June 30, 2005.

5 **SECTION 14. INDUSTRIAL COMMISSION REVIEW - OIL AND GAS DIVISION AND**  
6 **GEOLOGICAL SURVEY MERGER - BUDGET SECTION REPORT.** The industrial commission  
7 shall review the implementation of the merger of the oil and gas division and the geological  
8 survey to be accomplished by July 1, 2005. In conducting the review, the industrial commission  
9 shall consider allowing the oil and gas director to appoint the state geologist, recommend a  
10 name change for the merged oil and gas division and geological survey, and identify  
11 efficiencies and savings that will result from the merger. Before November 1, 2004, the  
12 industrial commission shall present a report to the budget section regarding the  
13 recommendations for the oil and gas division and geological survey merger. The industrial  
14 commission shall report its findings and recommendations, together with any legislation  
15 required to implement the recommendations, to the fifty-ninth legislative assembly.

16 **SECTION 15. OIL AND GAS DIVISION AND GEOLOGICAL SURVEY EMPLOYEE**  
17 **POSITIONS.** Any full-time equivalent employee position in the oil and gas division and  
18 geological survey that becomes vacant because of an employee retirement or an employee  
19 resignation must remain vacant for the remainder of the 2003-05 biennium.

20 **SECTION 16. EMERGENCY.** The appropriation in subdivision 3 of section 1, the  
21 appropriation in section 13, and the transfer in section 12 of this Act for the partnership in  
22 assisting community expansion fund, the agriculture partnership in assisting community  
23 expansion fund, and the beginning farmer loan fund are declared to be an emergency measure.