

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; ~~and~~-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 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 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 the state industrial commission and agencies under its control, for
11 the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	Base Level	Adjustments or Enhancements	Appropriation
16 Salaries and wages	\$9,321,995	\$2,522,612	\$11,844,607
17 Operating expenses	2,646,426	832,318	3,478,744
18 <u>Salaries and wages</u>	<u>\$9,321,995</u>	<u>\$2,552,612</u>	<u>\$11,874,607</u>
19 <u>Operating expenses</u>	<u>2,646,426</u>	<u>847,318</u>	<u>3,493,744</u>
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	(2,102,739)	25,339,126
24 Renewable energy development	0	3,000,000	3,000,000

Sixty-second
Legislative Assembly

1	Total all funds	\$59,430,586	\$4,203,191	\$63,633,777
2	Less estimated income	49,308,484	(2,592,335)	46,716,149
3	Total general fund	\$10,122,102	\$6,795,526	\$16,917,628
4	Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
5	Mineral resources contingency	0	743,972	743,972
6	Carbon dioxide storage facility	0	532,000	532,000
7	administrative fund			
8	Full-time equivalent positions	61.06	12.00	73.06
9	Renewable energy development	0	1,000,000	1,000,000
10	Total all funds	\$59,430,586	\$3,574,770	\$63,005,356
11	Less estimated income	49,308,484	(1,785,826)	47,522,658
12	Total general fund	\$10,122,102	\$5,360,596	\$15,482,698
13	Full-time equivalent positions	61.06	13.00	74.06

14 Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

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

22 Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

		Adjustments or		
	Base Level	Enhancements	Appropriation	
26	Partnership in assisting community	\$8,000,000	(\$2,000,000)	\$6,000,000
27	expansion fund			
28	Agriculture partnership in assisting	1,400,000	(400,000)	1,000,000
29	community expansion fund			
30	Beginning farmer revolving loan fund	950,000	450,000	1,400,000
31	Biofuels partnership in assisting	0	1,000,000	1,000,000

Sixty-second
Legislative Assembly

1 community expansion fund

2	Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
3	Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
4	Total general fund	\$9,400,000	\$0	\$9,400,000

5 Subdivision 4.

6 MILL AND ELEVATOR ASSOCIATION

7		Adjustments or		
8		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
9	Salaries and wages	\$22,599,324	\$3,712,292	\$26,311,616
10	Salaries and wages	\$22,599,324	\$3,450,006	\$26,049,330
11	Operating expenses	16,982,918	2,896,887	19,879,805
12	Contingencies	325,000	75,000	400,000
13	Agriculture promotion	150,000	0	150,000
14	Total from mill and elevator fund	\$40,057,242	\$6,684,179	\$46,741,421
15	Full-time equivalent positions	131.00	4.00	135.00
16	Agriculture promotion	150,000	60,000	210,000
17	Total from mill and elevator fund	\$40,057,242	\$6,481,893	\$46,539,135
18	Full-time equivalent positions	131.00	0.00	131.00

19 Subdivision 5.

20 HOUSING FINANCE AGENCY

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

29 Subdivision 6.

30 BILL TOTAL

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
3	Grand total general fund	\$19,522,102	\$6,795,526	\$26,317,628
4	Grand total special funds	174,516,769	4,384,002	178,900,771
5	Grand total all funds	\$194,038,871	\$11,179,528	\$205,218,399
6	<u>Grand total general fund</u>	<u>\$19,522,102</u>	<u>\$5,360,596</u>	<u>\$24,882,698</u>
7	<u>Grand total special funds</u>	<u>174,516,769</u>	<u>4,988,225</u>	<u>179,504,994</u>
8	<u>Grand total all funds</u>	<u>\$194,038,871</u>	<u>\$10,348,821</u>	<u>\$204,387,692</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:

	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
14	Federal stimulus funds	\$30,360,574	\$0
15	Biofuels partnership in assisting community expansion	700,000	0
16	State facility lignite feasibility demonstration project	400,000	0
17	Ag PACE disaster program	1,000,000	0
18	Recruitment/retention bonuses	185,000	0
19	Renewable energy development program	3,000,000	3,000,000
20	<u>Renewable energy development program</u>	<u>3,000,000</u>	<u>1,000,000</u>
21	<u>Carbon dioxide storage facility administrative fund</u>	<u>0</u>	<u>532,000</u>
22	Coalbed methane/shallow gas studies	31,152	25,000
23	Fracturing sand and proppant studies	62,000	50,000
24	Oil-bearing rock study	0	40,000
25	Paleontologic preparatory work	<u>0</u>	<u>62,400</u>
26	Total all funds	\$35,738,726	\$3,177,400
27	<u>Total all funds</u>	<u>\$35,738,726</u>	<u>\$1,709,400</u>
28	Total special funds	<u>30,360,574</u>	<u>0</u>
29	Total general fund	\$5,378,152	\$3,177,400
30	<u>Total general fund</u>	<u>\$5,378,152</u>	<u>\$1,709,400</u>

1 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the
2 2013-15 biennium. The industrial commission shall report to the appropriations committees of
3 the sixty-third legislative assembly on the use of this one-time funding for the biennium
4 beginning July 1, 2011, and ending June 30, 2013.

5 **SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of
6 ~~\$25,339,126~~\$25,389,733 included in subdivision 1 of section 1 of this Act in the grants - bond
7 payments line item must be paid from the following funding sources during the biennium
8 beginning July 1, 2011, and ending June 30, 2013:

9	North Dakota university system	\$12,254,770
10	North Dakota university system - Energy conservation projects	929,789
11	Department of corrections and rehabilitation	1,337,752
12	Department of corrections and rehabilitation - Energy conservation projects	18,604
13	State department of health	706,983
14	Job service North Dakota	742,518
15	<u>State department of health</u>	<u>672,898</u>
16	<u>Job service North Dakota</u>	<u>710,735</u>
17	Adjutant general	70,225
18	Information technology department - ConnectND	5,406,666
19	Office of management and budget	665,143
20	Office of the attorney general	765,704
21	State historical society	1,392,069
22	Parks and recreation	73,613
23	Research and extension service	571,290
24	Veterans' home	404,000
25	Total	\$25,339,126
26	<u>Veterans' home</u>	<u>520,475</u>
27	<u>Total</u>	<u>\$25,389,733</u>

28 **SECTION 4. LEGISLATIVE INTENT - LAND PURCHASE.** It is the intent of the
29 sixty-second legislative assembly that to the best of its ability the Bank of North Dakota ensure
30 that properties adjacent to Bank of North Dakota property northwest of west street are

1 developed for uses that are consistent with the mission and purpose of the Bank of North
2 Dakota.

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

6 **SECTION 6. APPROPRIATION.** In addition to the amount appropriated to the housing
7 finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional
8 income or unanticipated income from federal or other funds which may become available to the
9 agency for the biennium beginning July 1, 2011, and ending June 30, 2013.

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

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

28 **SECTION 9. TRANSFER.** The sum of \$488,211, or so much of the sum as may be
29 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
30 this Act, may be transferred from the entities within the control of the state industrial commission
31 to the industrial commission fund for administrative services rendered by the commission.

1 Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013,
2 upon order of the commission. Transfers from the student loan trust must be made to the extent
3 permitted by sections 54-17-24 and 54-17-25.

4 **SECTION 10. APPROPRIATION - TRANSFER.** The funds appropriated in subdivision 3 of
5 section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in
6 assisting community expansion fund; the agriculture partnership in assisting community
7 expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in
8 assisting community expansion fund. The Bank of North Dakota may not be construed to be a
9 general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

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

28 **SECTION 12. CARBON DIOXIDE STORAGE FACILITY ADMINISTRATIVE FUND - USE**
29 **OF FUNDING.** The carbon dioxide storage facility administrative fund line item in subdivision 1
30 of section 1 of this Act includes \$532,000 from the general fund that the industrial commission
31 may deposit in its carbon dioxide storage facility administrative fund for the purpose of hiring

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

7 **SECTION 13. EMERGENCY.** Section 12 and the related funding included in subdivision 1
8 of section 1 of this Act are declared to be an emergency measure.