

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED 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 create
3 and enact a new section to chapter 15-02 of the North Dakota Century Code, relating to the
4 authority of the board of university and school lands; to provide legislative intent; to provide for a
5 legislative management study; to provide an appropriation; to provide a contingent
6 appropriation; to authorize transfers; to provide for budget section approval; and to declare an
7 emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income, to the state industrial commission and agencies under its control for the purpose
13 of defraying the expenses of the state industrial commission and agencies under its control, for
14 the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

15 Subdivision 1.

16 INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
17			
18			
19	\$9,321,995	\$2,552,612	\$11,874,607
20	<u>\$9,321,995</u>	<u>\$2,889,625</u>	<u>\$12,211,620</u>
21	Operating expenses	2,646,426	847,318
22	Capital assets	49,000	(49,000)
23	Grants - Lignite research and	19,971,300	0
24	development		19,971,300

Sixty-second
Legislative Assembly

1	Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
2	Mineral resources contingency	0	743,972	743,972
3	Carbon dioxide storage facility	0	532,000	532,000
4	administrative fund			
5	Renewable energy development	0	1,000,000	1,000,000
6	Total all funds	\$59,430,586	\$3,574,770	\$63,005,356
7	Less estimated income	49,308,484	(1,785,826)	47,522,658
8	Total general fund	\$10,122,102	\$5,360,596	\$15,482,698
9	Renewable energy development	0	2,000,000	2,000,000
10	Total all funds	\$59,430,586	\$4,911,783	\$64,342,369
11	Less estimated income	49,308,484	(1,797,756)	47,510,728
12	Total general fund	\$10,122,102	\$6,709,539	\$16,831,641
13	Full-time equivalent positions	61.06	13.00	74.06

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

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	\$3,450,006	\$26,049,330
10	Operating expenses	16,982,918	2,896,887	19,879,805
11	<u>Salaries and wages</u>	<u>\$22,599,324</u>	<u>\$3,712,292</u>	<u>\$26,311,616</u>
12	<u>Operating expenses</u>	<u>16,982,918</u>	<u>3,460,951</u>	<u>20,443,869</u>
13	Contingencies	325,000	75,000	400,000
14	Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
15	Total from mill and elevator fund	\$40,057,242	\$6,481,893	\$46,539,135
16	Full-time equivalent positions	131.00	0.00	131.00
17	<u>Total from mill and elevator fund</u>	<u>\$40,057,242</u>	<u>\$7,308,243</u>	<u>\$47,365,485</u>
18	<u>Full-time equivalent positions</u>	<u>131.00</u>	<u>4.00</u>	<u>135.00</u>

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	
	Base Level	Enhancements	Appropriation
1			
2			
3	Grand total general fund	\$19,522,102	\$5,360,596
4	Grand total special funds	174,516,769	4,988,225
5	Grand total all funds	\$194,038,871	\$10,348,821
6	<u>Grand total general fund</u>	<u>\$19,522,102</u>	<u>\$6,709,539</u>
7	<u>Grand total special funds</u>	<u>174,516,769</u>	<u>5,802,645</u>
8	<u>Grand total all funds</u>	<u>\$194,038,871</u>	<u>\$12,512,184</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>
13			
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	1,000,000
20	<u>Renewable energy development program</u>	<u>3,000,000</u>	<u>2,000,000</u>
21	Carbon dioxide storage facility administrative fund	0	532,000
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	\$1,709,400
27	Total special funds	30,360,574	0
28	Total general fund	\$5,378,152	\$1,709,400
29	<u>Total all funds</u>	<u>\$35,738,726</u>	<u>\$2,709,400</u>
30	<u>Total special funds</u>	<u>30,360,574</u>	<u>0</u>
31	<u>Total general fund</u>	<u>\$5,378,152</u>	<u>\$2,709,400</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.** A new section to chapter 15-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Authority to accept Lake Sakakawea lands.**

8 If, through federal legislation, the United States army corps of engineers returns excess
9 lands around Lake Sakakawea above an elevation of one thousand eight hundred fifty-four feet
10 [565.098 meters] mean sea level and excess lands around Lake Oahe about one thousand six
11 hundred twenty feet [493.766 meters] mean sea level, the board of university and school lands
12 may accept the land on behalf of the state of North Dakota.

13 **SECTION 4. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of \$25,389,733
14 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be
15 paid from the following funding sources during the biennium beginning July 1, 2011, and ending
16 June 30, 2013:

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

1 **SECTION 5. LEGISLATIVE INTENT - LAND PURCHASE.** It is the intent of the
2 sixty-second legislative assembly that to the best of its ability the Bank of North Dakota ensure
3 that properties adjacent to Bank of North Dakota property northwest of west street are
4 developed for uses that are consistent with the mission and purpose of the Bank of North
5 Dakota.

6 **SECTION 6. LEGISLATIVE MANAGEMENT STUDY.** During the 2011-12 interim, the
7 legislative management shall consider studying primacy in the administration of federal
8 environmental protection agency regulations.

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

13 **SECTION 8. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In addition to
14 the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this
15 Act, there is appropriated, with the approval of the emergency commission, funds that may
16 become available to the commission from bonds authorized by law to be issued by the state
17 industrial commission for the biennium beginning July 1, 2011, and ending June 30, 2013.

18 **SECTION 9. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING -**
19 **PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.** Of the
20 funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1
21 of this Act, \$743,972 is from the permanent oil tax trust fund. If funds are required due to the
22 drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and
23 gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position,
24 upon emergency commission approval, and further if funds are required due to the drilling rig
25 count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division
26 may spend up to an additional \$192,393 of these funds and hire one full-time equivalent
27 position, upon emergency commission approval. If funds are required due to the total number of
28 oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend
29 up to \$359,186 and hire two full-time equivalent positions, upon emergency commission
30 approval.

1 **SECTION 10. TRANSFER.** The sum of \$488,211, or so much of the sum as may be
2 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
3 this Act, may be transferred from the entities within the control of the state industrial commission
4 to the industrial commission fund for administrative services rendered by the commission.
5 Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013,
6 upon order of the commission. Transfers from the student loan trust must be made to the extent
7 permitted by sections 54-17-24 and 54-17-25.

8 **SECTION 11. APPROPRIATION - TRANSFER.** The funds appropriated in subdivision 3 of
9 section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in
10 assisting community expansion fund; the agriculture partnership in assisting community
11 expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in
12 assisting community expansion fund. The Bank of North Dakota may not be construed to be a
13 general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

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

1 | **SECTION 13. TRANSFER TO OIL AND GAS RESEARCH FUND FROM PERMANENT**
2 | **OIL TAX TRUST FUND - GRANTS - BUDGET SECTION APPROVAL.** During the biennium
3 | beginning July 1, 2011, and ending June 30, 2013, the director of the office of management and
4 | budget shall transfer \$4,000,000 from the permanent oil tax trust fund to the oil and gas
5 | research fund for the oil and gas research program. The moneys may be transferred only if the
6 | industrial commission has awarded grants totaling \$4,000,000 from the oil and gas research
7 | fund during the 2011-13 biennium and upon approval by the industrial commission and budget
8 | section.

9 | **SECTION 14. CARBON DIOXIDE STORAGE FACILITY ADMINISTRATIVE FUND - USE**
10 | **OF FUNDING.** The carbon dioxide storage facility administrative fund line item in subdivision 1
11 | of section 1 of this Act includes \$532,000 from the general fund that the industrial commission
12 | may deposit in its carbon dioxide storage facility administrative fund for the purpose of hiring
13 | one full-time equivalent position for up to three years until fee income is sufficient to provide
14 | funding for the administration of the provisions of chapter 38-22. The industrial commission shall
15 | use this funding to provide a timely response to the environmental protection agency's rules
16 | relating to carbon dioxide sequestration and develop a coordinated response from state
17 | agencies with the goal of the state of North Dakota having class VI primacy for carbon dioxide
18 | storage in North Dakota.

19 | **SECTION 15. EMERGENCY.** Section ~~42~~14 and the related funding included in
20 | subdivision 1 of section 1 of this Act are declared to be an emergency measure.