

Department 405 - Industrial Commission
House Bill No. 1014

Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 Executive Budget	\$33,383,040	\$130,444,556	\$163,827,596
2023-25 Base Level	26,489,613	24,369,185	50,858,798
Increase (Decrease)	\$6,893,427	\$106,075,371	\$112,968,798

Selected Budget Changes Recommended in the Executive Budget

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$1,747,226 is for salary increases and \$605,156 is for health insurance increases	\$2,168,675	\$183,707	\$2,352,382
2. Adds 7.5 FTE positions, including 3 carbon capture positions, 1 paleontology position, 1 critical minerals position, 1 grant administrator position, 1 deputy director position for the Public Finance Authority, and 0.5 records management position	\$1,303,541	\$314,967	\$1,618,508
3. Increases funding for bond payments to provide total funding of \$119,879,913 for bond payments	\$0	\$97,839,192	\$97,839,192
4. Adds one-time funding for inflationary costs primarily related to travel expenses	\$821,456	\$35,688	\$857,144
5. Adds one-time funding for Transmission Authority consulting expenses	\$250,000	\$0	\$250,000
6. Adds one-time funding for a federal electric grid resilience grant and a related match from the general fund	\$1,372,227	\$7,520,258	\$8,892,485
7. Adds one-time funding for a transfer to the fossil restoration fund	\$250,000	\$0	\$250,000

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Legacy earnings fund - Sections 12 and 13 would transfer \$55 million from the legacy earnings fund to the oil and gas research fund (\$5 million) and to the clean sustainable energy fund (\$50 million).

Strategic investment and improvements fund - Section 14 would transfer \$500 million from the strategic investment and improvements fund to the clean sustainable energy fund including \$250 million prior to the end of the 2021-23 biennium and \$250 million during the 2023-25 biennium.

North Dakota outdoor heritage fund - Section 15 would decrease the oil and gas tax revenue allocation limit to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$7.5 million per fiscal year for the 2023-25 biennium, the same as the 2021-23 biennium.

Oil and gas research fund - Section 16 would increase the allocations to the oil and gas research fund by \$4.5 million, from \$10 million to \$14.5 million for the 2023-25 biennium, the same as the 2021-23 biennium.

Federal State Fiscal Recovery Fund exemption - Sections 20, 21, and 22 would provide an exemption allowing unspent federal funding authorized during the November 2021 special legislative session to be available in the 2023-25 biennium related to a pipeline infrastructure grant (\$150 million), a hydrogen development grant (\$20 million), and an abandoned oil well conversion program (\$3.2 million).

Abandoned well federal funding exemption - Section 23 would provide an exemption allowing unspent federal funding authorized by the Emergency Commission to be available in the 2023-25 biennium related to administrative costs for plugging and reclaiming oil wells and oil well sites.

Survey review exemption - Section 24 would provide an exemption allowing the Industrial Commission to continue unspent 2017-19 biennium appropriation authority for a survey review during the 2023-25 biennium.

Continuing Appropriations

Abandoned oil and gas reclamation fund - North Dakota Century Code Section 38-08-04.5 - Abandoned oil and gas reclamation.

Carbon dioxide storage facility administration fund - Section 38-22-14 - For defraying costs of processing applications for regulating carbon dioxide storage facilities.

Carbon dioxide storage facility trust fund - Section 38-22-15 - For costs associated with long-term monitoring and management of a closed carbon dioxide storage facility.

Cartographic products fund - Section 54-17.4-10 - Topographic map sales and purchases.

Cash bond fund - Section 38-08-04.11 - For defraying costs incurred in plugging and reclamation of abandoned oil and gas wells and related activities.

Fossil excavation and restoration fund - Section 54-17.4-09.1 - Excavation and restoration of fossils.

Geological data preservation fund - Section 54-17.4-13 - Data preservation.

Geophysical, geothermal, subsurface minerals, and coal exploration fund - Section 38-21-03 - Reclamation of orphaned facilities and exploration holes.

Global positioning system community base station - Section 54-17.4-12 - For maintenance of base station.

Lignite research fund - Section 57-61-01.5 - Research, development, and marketing for the lignite industry.

North Dakota outdoor heritage fund - Section 54-17.8-02 - For grants to conserve natural areas, restore wildlife and fish habitats, and provide access to sportsmen.

North Dakota Pipeline Authority administrative fund - Section 54-17.7-11 - For operations of the North Dakota Pipeline Authority.

Oil and gas research fund - Section 57-51.1-07.3 - Oil and gas research and education.

Oil and gas reservoir data fund - Section 38-08-04.6 - Oil and gas reservoir data.

Renewable energy development fund - Section 54-63-04 - Renewable energy research, development, and education.

Clean sustainable energy fund - Section 54-63.1-07 - Grants, loans, and other financial assistance for clean sustainable energy project research and development.

Deficiency Appropriations

The executive budget recommends transferring \$250 million from the strategic investment and improvements fund to the clean sustainable energy fund prior to the end of the 2021-23 biennium.

Significant Audit Findings

The operational audit for the Industrial Commission conducted by the State Auditor's office during the 2021-22 interim identified no significant audit findings.

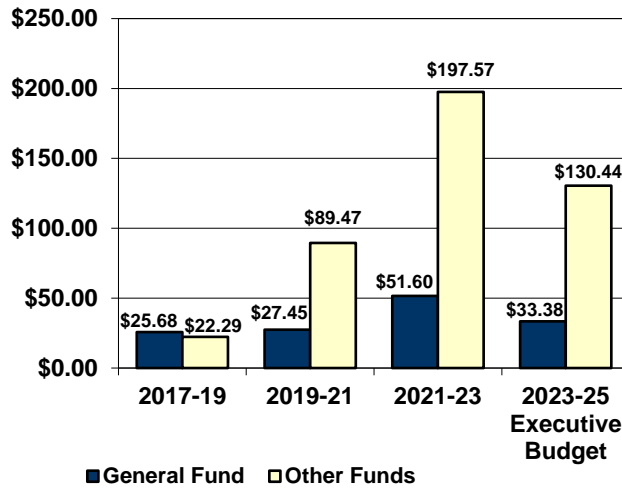
Major Related Legislation

Senate Bill No. 2059 - Increases the fund balance limit from \$50 million to \$100 million for oil and gas gross production tax revenue allocations to the abandoned oil and gas well plugging and site reclamation fund.

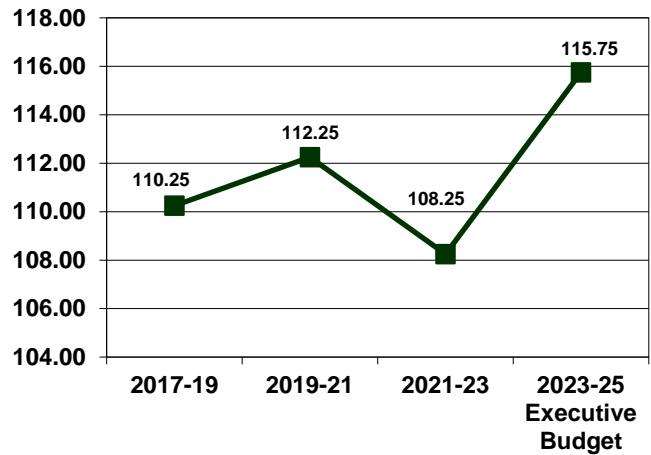
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	\$24,957,746	\$25,408,987	\$27,254,198	\$26,489,613	\$30,362,191
Increase (decrease) from previous biennium	N/A	\$451,241	\$1,845,211	(\$764,585)	\$3,872,578
Percentage increase (decrease) from previous biennium	N/A	1.8%	7.3%	(2.8%)	14.6%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	1.8%	9.2%	6.1%	21.7%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 8.5 FTE positions, including 6.5 FTE engineering technician positions and 2 FTE administrative assistant positions (\$577,999)
2. Added funding for contingent FTE engineering technician positions \$221,737
3. Added funding for operating expenses primarily related to travel, information technology software and services, and professional services \$448,753

2019-21 Biennium

1. Increased funding for 2 FTE positions that were partially funded as contingent positions in the 2017-19 biennium \$40,464
2. Added funding for 2 FTE contingent positions \$229,544
3. Added funding for operating expenses, primarily related to travel, building leases, and information technology costs \$556,254

2021-23 Biennium

1. Removed 1 FTE computer network specialist position (\$222,366), 1 FTE engineering technician position (\$180,551), and 2 FTE contingent positions (\$229,544) (\$632,461)
2. Decreased funding for salaries and wages for anticipated savings from vacant positions and employee turnover (\$214,360)
3. Decreased funding for temporary salaries (\$60,000)
4. Adjusted funding for operating expenses, primarily related to a decrease in travel (\$730,400)

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 7.5 FTE positions, including 3 carbon capture positions, 1 paleontology position, 1 critical minerals position, 1 grant administrator position, 1 deputy director position for the Public Finance Authority, and 0.5 records management position \$1,303,541

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	\$7,718,143	\$269,408	\$195,000	\$25,106,260	\$3,020,849

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. Provided a deficiency appropriation for litigation expenses related to various lawsuits associated with oil and gas regulatory disputes and other environmental issues \$269,408

2019-21 Biennium

- 1. Added one-time funding for temporary employees who will record historical information to provide guidance to current and future employees \$175,000
- 2. Added one-time funding for a transfer to the high-level radioactive waste fund \$20,000

2021-23 Biennium

- 1. Added one-time funding from the general fund for paleontology and geological equipment \$106,260
- 2. Added one-time funding for a transfer to the clean sustainable energy fund pursuant to House Bill No. 1452 (2021) \$25,000,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds one-time funding for inflationary costs primarily related to travel expenses \$821,456
- 2. Adds one-time funding for Transmission Authority consulting expenses \$250,000
- 3. Adds one-time funding for a federal electric grid resilience grant and a related match from the general fund \$1,372,227
- 4. Adds one-time funding for a transfer to the fossil restoration fund \$250,000

Industrial Commission - Budget No. 405
House Bill No. 1014
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	108.25	\$26,489,613	\$24,369,185	\$50,858,798
2023-25 Ongoing Funding Changes				
Cost to continue salary increase		\$167,219	\$8,697	\$175,916
Salary increase		1,604,665	142,561	1,747,226
Health insurance increase		564,010	41,146	605,156
Adds FTE carbon capture positions	3.00	760,911		760,911
Adds FTE paleontology position	1.00	196,610		196,610
Adds FTE critical minerals position	1.00	276,523		276,523
Adds FTE grant administration position	1.00		182,321	182,321
Adds FTE deputy director position	1.00		132,646	132,646
Adds FTE records management position	0.50	69,497		69,497
Transfers \$104,785 from operating expenses to salaries				0
Increases federal funding for salaries and wages			29,996	29,996
ITD rate increases		3,143	1,756	4,899
Adds funding for computer server transition		230,000		230,000
Increases funding for bond payments			97,839,192	97,839,192
Total ongoing funding changes	7.50	\$3,872,578	\$98,378,315	\$102,250,893
One-time funding items				
Adds one-time funding for FTE carbon capture positions		\$31,031		\$31,031
Adds one-time funding for FTE paleontology position		9,234		9,234
Adds one-time funding for FTE critical minerals position		20,134		20,134
Adds one-time funding for FTE grant administration position			\$1,155	1,155
Adds one-time funding for FTE deputy director position			10,955	10,955
Adds one-time funding for FTE records management position		3,119		3,119
Adds one-time funding for temporary employees			75,000	75,000
Adds one-time funding for inflationary increases		821,456	35,688	857,144
Adds one-time funding for core and mineral analysis		100,000		100,000
Adds one-time funding for Transmission Authority consulting		250,000		250,000
Adds one-time funding for drones and computers		83,648	54,000	137,648
Adds one-time funding for computer server transition		80,000		80,000
Adds one-time funding for an electric grid resilience grant		1,372,227	7,520,258	8,892,485
Adds one-time funding for fossil restoration		250,000		250,000
Total one-time funding changes	0.00	\$3,020,849	\$7,697,056	\$10,717,905
Total Changes to Base Level Funding	7.50	\$6,893,427	\$106,075,371	\$112,968,798
2023-25 Total Funding	115.75	\$33,383,040	\$130,444,556	\$163,827,596
<i>Federal funds included in other funds</i>			\$7,788,258	
<i>Total ongoing changes as a percentage of base level</i>	6.9%	14.6%	403.7%	201.0%
<i>Total changes as a percentage of base level</i>	6.9%	26.0%	435.3%	222.1%

Other Sections in Industrial Commission - Budget No. 405

	Executive Budget Recommendation
Bond payments	Section 3 would provide legislative intent for bond payments during the 2023-25 biennium.
Administrative cost transfers	Section 5 would allow the Industrial Commission to transfer up to \$1,619,045 from special funds from the entities under the control of the Industrial Commission for administrative services. Section 19 would provide an exemption allowing unspent prior biennium appropriation authority for administrative costs to be available in the 2023-25 biennium.

Other Sections in Industrial Commission - Budget No. 405

Executive Budget Recommendation

Legacy earnings fund	Sections 12 and 13 would transfer \$55 million from the legacy earnings fund to the oil and gas research fund (\$5 million) and to the clean sustainable energy fund (\$50 million).
Strategic investment and improvements fund	Section 14 would transfer \$500 million from the strategic investment and improvements fund to the clean sustainable energy fund including \$250 million prior to the end of the 2021-23 biennium and \$250 million during the 2023-25 biennium.
North Dakota outdoor heritage fund	Section 15 would decrease the oil and gas tax revenue allocation limit to the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$7.5 million per fiscal year for the 2023-25 biennium, the same as the 2021-23 biennium.
Oil and gas research fund	Section 16 would increase the allocations to the oil and gas research fund by \$4.5 million, from \$10 million to \$14.5 million for the 2023-25 biennium, the same as the 2021-23 biennium.
Federal State Fiscal Recovery Fund exemption	Sections 20, 21, and 22 would provide an exemption allowing unspent federal funding authorized during the November 2021 special legislative session to be available in the 2023-25 biennium related to a pipeline infrastructure grant (\$150 million), a hydrogen development grant (\$20 million), and an abandoned oil well conversion program (\$3.2 million).
Abandoned well federal funding exemption	Section 23 would provide an exemption allowing unspent federal funding authorized by the Emergency Commission to be available in the 2023-25 biennium related to administrative costs for plugging and reclaiming oil wells and oil well sites.
Survey review exemption	Section 24 would provide an exemption allowing the Industrial Commission to continue unspent 2017-19 biennium appropriation authority for a survey review during the 2023-25 biennium.

HOUSE BILL NO. 1014
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to amend and reenact sections 15-17-07.3 and 15-17-07.9; to provide transfers; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$23,698,119	\$4,139,281	\$27,837,400
Operating Expenses	5,119,958	1,719,840	6,839,798
Capital Assets	0	128,000	128,000
Grants	0	8,892,485	8,892,485
General Fund Transfers	0	250,000	250,000
Bond Payments	<u>22,040,721</u>	<u>97,839,192</u>	<u>119,879,913</u>
Total All Funds	\$50,858,798	\$112,968,798	\$163,827,596
Less Estimated Income	<u>24,369,185</u>	<u>106,075,371</u>	<u>130,444,556</u>
Total General Fund	\$26,489,613	\$6,893,427	\$33,383,040
Full-Time Equivalent Positions	108.25	7.50	115.75

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota Operations	\$67,308,548	\$7,089,217	\$74,395,765
Capital Assets	<u>1,510,000</u>	<u>0</u>	<u>1,510,000</u>
Total Special Funds	\$68,816,548	\$7,089,217	\$75,905,765
Full-Time Equivalent Positions	173.00	8.00	181.00

Subdivision 3.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$9,556,272	\$2,707,598	\$12,263,870
Operating Expenses	6,109,060	4,629,181	10,738,241
Capital Assets	150,000	(130,000)	20,000
Grants	42,975,200	4,900,122	47,875,322
Housing Finance Agency Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total All Funds	\$58,890,532	\$12,106,901	\$70,997,433
Less Estimated Income	<u>58,890,532</u>	<u>10,536,689</u>	<u>69,427,221</u>
Total General Fund	\$0	\$1,570,212	\$1,570,212
Full-Time Equivalent Positions	49.00	3.00	52.00

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$50,560,209	\$7,004,835	\$57,565,044
Operating Expenses	36,817,000	5,574,653	42,391,653
Contingencies	500,000	0	500,000
Agriculture Promotion	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total Special Funds	\$88,377,209	\$12,579,488	\$100,956,697
Full-Time Equivalent Positions	156.00	14.00	170.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand Total General Fund	\$26,489,613	\$8,463,639	\$34,953,252
Grand Total Special Funds	<u>240,453,474</u>	<u>136,280,765</u>	<u>376,734,239</u>
Grand Total All Funds	\$266,943,087	\$144,744,404	\$411,687,491

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Housing Finance Agency – Housing Assessment	\$35,000	0
Paleontology and Geological Equipment	106,206	0
Clean Sustainable Energy Fund Transfer	25,000,000	0
Agriculture Diversification and Development Fund Transfer	10,000,000	0
Housing Invention Fund Transfer	9,500,000	0
Bank of North Dakota – Bond Proceeds	680,000,000	0
Inflation	0	857,144
Equipment and Software	0	137,648
Server Transition	0	80,000
Operating Expenses for New FTE	0	75,628
Infrastructure Investment and Jobs Act Grant and Match	0	8,892,485
North Dakota Transmission Authority Consulting	0	250,000
Paleo Fund Transfer	0	250,000
Core and Mineral Analysis	0	100,000
Contract Staffing	0	75,000
IT Consulting and Developing Costs	<u>0</u>	<u>804,278</u>
Total All Funds	\$724,641,206	\$11,522,183
Total Special Fund	<u>680,035,000</u>	<u>8,501,334</u>
Total General Fund	\$44,606,206	\$3,020,849

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

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

Legacy Bond Payments	102,620,461
North Dakota University System	15,021,771
North Dakota University System - Energy Conservation Projects	207,649
Department of Corrections and Rehabilitation	143,375
Office of Management and Budget	283,875
Office of Attorney General	330,000
State Historical Society	592,375
Parks and Recreation Department	30,950
Research and Extension Service	242,205
Veterans' Home	407,252
Total	<u>\$119,879,913</u>

SECTION 4. APPROPRIATION – HOUSING FINANCE AGENCY – ADDITIONAL INCOME. In addition to the amount appropriated to the housing finance agency in subdivision 3 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2023 and ending June 30, 2025. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency resulting in an increase in appropriation authority.

SECTION 5. TRANSFER – ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND. The sum of \$1,619,045, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2023 and ending June 30, 2025, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 6. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$39,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$15,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA – AGRICULTURAL PRODUCTS UTILIZATION FUND. The Bank of North Dakota shall transfer the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agricultural products utilization fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. TRANSFER – LEGACY EARNINGS FUND TO HOUSING INCENTIVE FUND. The office of management and budget shall transfer \$25,000,000 from the legacy earnings fund to the housing incentive fund during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 12. TRANSFER – LEGACY EARNINGS FUND TO OIL AND GAS RESEARCH FUND. The office of management and budget shall transfer \$5,000,000 from the legacy earnings fund to the oil and gas research fund for the purpose of providing iPIPE challenge grants, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 13. TRANSFER – LEGACY EARNINGS FUND TO CLEAN SUSTAINABLE ENERGY FUND. The office of management and budget shall transfer \$50,000,000 from the legacy earnings fund to the clean sustainable energy fund for the purpose of providing grants, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 14. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO CLEAN SUSTAINABLE ENERGY FUND. The office of management and budget shall transfer \$500,000,000 from the strategic investment and improvements fund to the clean sustainable energy fund for the purpose of providing loans. The initial \$250,000,000 transfer will occur on or before June 30, 2023 and the second \$250,000,000 transfer will occur during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 15. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH DAKOTA OUTDOOR HERITAGE FUND. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the North Dakota outdoor heritage fund, for the period beginning September 1, 2023, and ending August 31, 2025, the state treasurer shall allocate eight percent of the oil and gas gross production tax revenue available under subsection 1 of section 57-51-15 to the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000 per fiscal year.

SECTION 16. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND GAS RESEARCH FUND. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the oil and gas research fund, for the period beginning August 1, 2023, and ending July 31, 2025, the state treasurer shall deposit two percent of the oil and gas gross production tax and oil extraction tax revenues, up to \$14,500,000, into the oil and gas research fund before depositing oil and gas tax revenues under sections 57-51.1-07.5 and 57-51.1-07.9.

SECTION 17. EXEMPTION – TRANSFER OF NORTH DAKOTA MILL AND ELEVATOR PROFITS TO GENERAL FUND. Notwithstanding the provisions of section 54-18-19 relating to the transfer of fifty percent of the annual mill and elevator association earnings and undivided profits to the general fund, for the period beginning July 1, 2023, and ending June 30, 2025, the office of management and budget shall not transfer any of the earning and undivided profits to the general fund.

SECTION 18. EXEMPTION –NORTH DAKOTA MILL AND ELEVATOR GAIN-SHARING PROGRAM. Notwithstanding the provisions of section 54-18-20 relating to the gain-sharing program for the mill and elevator, for the period beginning July 1, 2023, and ending June 30, 2025, a gain-sharing program may be approved by the industrial commission without a transfer of profits to the general fund.

SECTION 19. EXEMPTION – INDUSTRIAL COMMISSION FUND. The amount appropriated to the industrial commission in the special funds appropriation line item in section 1 of chapter 42 of the 2021 Session Laws and transferred pursuant to section 7 of chapter 42 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 20. EXEMPTION – PIPELINE INFRASTRUCTURE GRANT. The amount of \$150,000,000 appropriated to the industrial commission for the purpose of pipeline infrastructure grants in section 1 of chapter

550 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 21. EXEMPTION – HYDROGEN DEVELOPMENT GRANT. The amount of \$20,000,000 appropriated to the industrial commission for the purpose of hydrogen development grants in section 1 of chapter 550 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 22. EXEMPTION – WATER CONVERSION PROGRAM. The amount of \$3,200,000 appropriated to the industrial commission for the purpose of an abandoned oil well conversion to water supply program in section 1 of chapter 550 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 23. EXEMPTION – PLUGGING AND RECLAMATION INITIAL GRANT PROGRAM. The amount of \$2,500,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the industrial commission for the purpose of the orphaned well site plugging, remediation, and reclamation program is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 24. EXEMPTION – SURVEY REVIEW – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount appropriated from strategic investment and improvement fund to the industrial commission in section 2 of chapter 426 of the 2017 Session Laws is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for expert legal testimony and other related legal costs associated with the survey review during the biennium beginning July 1, 2023, and June 30, 2025.