

Sixtieth
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 authorize
3 transfers; to provide an exemption; to create and enact a new section to chapter 6-09.17 of the
4 North Dakota Century Code, relating to partnership in assisting community expansion fund
5 incentive limitations; to amend and reenact subsection 6 of section 6-09-15 and section
6 6-09.17-02 of the North Dakota Century Code, relating to the powers of the Bank of North
7 Dakota and the biodiesel partnership in assisting community expansion fund; to provide a
8 contingent appropriation; and to declare an emergency.

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

10 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
11 section represent the base level funding component appropriated to the state industrial
12 commission and agencies under its control in section 3 of this Act as follows:

13 Subdivision 1.

14 INDUSTRIAL COMMISSION

| | |
|--|-------------------|
| 15 Salaries and wages | \$6,111,034 |
| 16 Operating expenses | 1,907,850 |
| 17 Capital assets | 45,500 |
| 18 Grants - Lignite research and development | 15,200,000 |
| 19 Oil and gas division contingency | 225,000 |
| 20 Bond payments | <u>27,292,412</u> |
| 21 Total all funds - Base level | \$50,781,796 |
| 22 Less estimated income - Base level | <u>43,903,138</u> |
| 23 Total general fund - Base level | \$6,878,658 |

24 Subdivision 2.

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| 1 | BANK OF NORTH DAKOTA - OPERATIONS | |
| 2 | Salaries and wages | \$18,302,410 |
| 3 | Operating expenses | 10,925,665 |
| 4 | Capital assets | 11,272,000 |
| 5 | Contingencies | <u>1,700,000</u> |
| 6 | Total from Bank of North Dakota fund - Base level | \$42,200,075 |
| 7 | Subdivision 3. | |
| 8 | BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT | |
| 9 | Partnership in assisting community expansion fund | \$5,700,000 |
| 10 | Agriculture partnership in assisting community expansion fund | 1,425,000 |
| 11 | Beginning farmer revolving loan fund | 950,000 |
| 12 | Biodiesel partnership in assisting community expansion fund | <u>1,200,000</u> |
| 13 | Total all funds - Base level | \$9,275,000 |
| 14 | Less beginning farmer revolving loan fund - Base level | <u>2,375,000</u> |
| 15 | Total general fund - Base level | \$6,900,000 |
| 16 | Subdivision 4. | |
| 17 | MILL AND ELEVATOR ASSOCIATION | |
| 18 | Salaries and wages | \$17,332,391 |
| 19 | Operating expenses | 14,959,013 |
| 20 | Contingencies | 300,000 |
| 21 | Agriculture promotion | <u>250,000</u> |
| 22 | Total from mill and elevator fund - Base level | \$32,841,404 |
| 23 | Subdivision 5. | |
| 24 | HOUSING FINANCE AGENCY | |
| 25 | Salaries and wages | \$4,413,156 |
| 26 | Operating expenses | 2,805,578 |
| 27 | Grants | 26,591,280 |
| 28 | Housing finance agency contingencies | <u>100,000</u> |
| 29 | Total from housing finance agency fund - Base level | \$33,910,014 |
| 30 | Grand total general fund - Section 1 | \$13,778,658 |

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| 1 | Less beginning farmer revolving loan fund - Adjustments/enhancements | <u>(1,425,000)</u> |
| 2 | Total general fund - Adjustments/enhancements | \$6,700,000 |
| 3 | Subdivision 4. | |
| 4 | MILL AND ELEVATOR ASSOCIATION | |
| 5 | Salaries and wages | \$2,735,874 |
| 6 | Operating expenses | 1,303,559 |
| 7 | Agriculture promotion | <u>(100,000)</u> |
| 8 | Total from mill and elevator fund - Adjustments/enhancements | \$3,939,433 |
| 9 | Subdivision 5. | |
| 10 | HOUSING FINANCE AGENCY | |
| 11 | Salaries and wages | \$288,368 |
| 12 | Operating expenses | 6,607,200 |
| 13 | Grants | <u>728,520</u> |
| 14 | Total from housing finance agency fund - Adjustments/enhancements | \$7,624,088 |
| 15 | Grand total general fund - Section 2 | \$8,869,132 |
| 16 | Grand total special funds - Section 2 | \$11,620,799 |
| 17 | Grand total all funds - Section 2 | \$20,489,931 |

18 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
19 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
20 treasury, not otherwise appropriated, and from special funds derived from federal funds and
21 other income, to the state industrial commission and agencies under its control for the purpose
22 of defraying the expenses of their various divisions, for the biennium beginning July 1, 2007,
23 and ending June 30, 2009, as follows:

24 Subdivision 1.

| | | |
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| 25 | INDUSTRIAL COMMISSION | |
| 26 | Salaries and wages | \$7,215,116 |
| 27 | Operating expenses | 2,255,690 |
| 28 | Capital assets | 264,500 |
| 29 | Grants - Lignite research and development | 19,410,600 |
| 30 | Grants - Fossil excavation and restoration fund | 250,000 |
| 31 | Grants - Bond payments | 29,475,016 |

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| 1 | Oil and gas division contingency | <u>285,000</u> |
| 2 | Total all funds | \$59,155,922 |
| 3 | Less estimated income | <u>50,393,132</u> |
| 4 | Total general fund appropriation | \$8,762,790 |
| 5 | Subdivision 2. | |
| 6 | BANK OF NORTH DAKOTA - OPERATIONS | |
| 7 | Salaries and wages | \$20,295,359 |
| 8 | Operating expenses | 13,297,000 |
| 9 | Capital assets | 1,900,000 |
| 10 | Contingencies | <u>1,700,000</u> |
| 11 | Total appropriation from Bank of North Dakota fund | \$37,192,359 |
| 12 | Subdivision 3. | |
| 13 | BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT | |
| 14 | Partnership in assisting community expansion fund | \$8,000,000 |
| 15 | Agriculture partnership in assisting community expansion fund | 1,400,000 |
| 16 | Beginning farmer revolving loan fund | 950,000 |
| 17 | Biofuels partnership in assisting community expansion fund | <u>4,200,000</u> |
| 18 | Total all funds | \$14,550,000 |
| 19 | Less beginning farmer revolving loan fund | <u>950,000</u> |
| 20 | Total general fund | \$13,600,000 |
| 21 | Subdivision 4. | |
| 22 | MILL AND ELEVATOR ASSOCIATION | |
| 23 | Salaries and wages | \$20,068,265 |
| 24 | Operating expenses | 16,262,572 |
| 25 | Contingencies | 300,000 |
| 26 | Agriculture promotion | <u>150,000</u> |
| 27 | Total appropriation from mill and elevator fund | \$36,780,837 |
| 28 | Subdivision 5. | |
| 29 | HOUSING FINANCE AGENCY | |
| 30 | Salaries and wages | \$4,701,524 |
| 31 | Operating expenses | 9,412,778 |

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| 1 | Grants | 27,319,800 |
| 2 | Housing finance agency contingencies | <u>100,000</u> |
| 3 | Total appropriation from housing finance agency fund | \$41,534,102 |
| 4 | Total general fund appropriation - H.B. 1014 | \$22,362,790 |
| 5 | Total special funds appropriation - H.B. 1014 | \$166,850,430 |
| 6 | Total all funds appropriation - H.B. 1014 | \$189,213,220 |

7 **SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
8 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in
9 section 3 of this Act includes \$4,680,000 for the one-time funding items identified in this
10 section. This amount is not a part of the agency's base budget to be used in preparing the
11 2009-11 executive budget. The industrial commission shall report to the appropriations
12 committees of the sixty-first legislative assembly on the use of this one-time funding for the
13 biennium beginning July 1, 2007, and ending June 30, 2009.

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| 14 | Biofuels PACE | \$4,200,000 |
| 15 | Fossil restoration fund | 250,000 |
| 16 | Core and sample library repairs | <u>230,000</u> |
| 17 | Total | \$4,680,000 |

18 **SECTION 5. APPROPRIATION.** In addition to the amount appropriated to the housing
19 finance agency in subdivision 5 of section 3 of this Act, there is appropriated any additional
20 income or unanticipated income from federal or other funds which may become available to the
21 agency for the biennium beginning July 1, 2007, and ending June 30, 2009.

22 **SECTION 6. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In
23 addition to the amount appropriated to the state industrial commission in subdivision 1 of
24 section 3 of this Act, there is appropriated, with the approval of the emergency commission,
25 funds that may become available to the commission from bonds authorized by law to be issued
26 by the state industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for
27 the biennium beginning July 1, 2007, and ending June 30, 2009.

28 **SECTION 7. EXEMPTION.** The amount appropriated to the Bank of North Dakota in
29 the capital assets line item in sections 3 and 6 of 2005 Senate Bill No. 2014 is not subject to the
30 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available

1 for construction of a new building during the biennium beginning July 1, 2007, and ending
2 June 30, 2009.

3 **SECTION 8. TRANSFER.** The sum of \$80,195, or so much of the sum as may be
4 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
5 this Act, is from the North Dakota mill and elevator association. The moneys must be
6 transferred during the biennium beginning July 1, 2007, and ending June 30, 2009, upon order
7 of the state industrial commission.

8 **SECTION 9. TRANSFER.** The sum of \$102,066, or so much of the sum as may be
9 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
10 this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The
11 moneys must be transferred during the biennium beginning July 1, 2007, and ending June 30,
12 2009, upon order of the state industrial commission.

13 **SECTION 10. TRANSFER.** The sum of \$69,259, or so much of the sum as may be
14 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
15 this Act, is from the housing finance agency fund. The moneys must be transferred during the
16 biennium beginning July 1, 2007, and ending June 30, 2009, upon order of the state industrial
17 commission.

18 **SECTION 11. TRANSFER.** The sum of \$21,872, or so much of the sum as may be
19 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
20 this Act, is from the revenues of the public finance authority. The available moneys must be
21 transferred during the biennium beginning July 1, 2007, and ending June 30, 2009, upon order
22 of the state industrial commission.

23 **SECTION 12. INCOME AUTHORIZATION - STUDENT LOAN TRUST.** There is
24 authorized the receipt of fees by the state industrial commission in the sum of \$91,131, or so
25 much of the sum as is owed, included in the special funds appropriation line item in
26 subdivision 1 of section 3 of this Act, from the student loan trust for administrative services
27 rendered by the state industrial commission to the extent permitted by sections 54-17-24 and
28 54-17-25. The fees must be received during the biennium beginning July 1, 2007, and ending
29 June 30, 2009, upon order of the state industrial commission.

30 **SECTION 13. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING**
31 **PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount

1 of \$1,500,000, or so much of the amount as may be necessary, included in the grants and
2 special funds appropriation line item in subdivision 1 of section 3 of this Act, is appropriated
3 from the lignite research fund for the purpose of contracting for an independent, nonmatching
4 lignite marketing feasibility study or studies that determine those focused priority areas where
5 near-term, market-driven projects, activities, or processes will generate matching private
6 industry investment and have the most potential of preserving existing lignite production and
7 industry jobs or that will lead to increased development of lignite and its products and create
8 new lignite industry jobs and economic growth for the general welfare of this state. Moneys
9 appropriated pursuant to this section may also be used for the purpose of contracting for
10 nonmatching studies and activities in support of the lignite vision 21 project; for nonmatching
11 externality studies and activities in externality proceedings; or other marketing, environmental,
12 or transmission activities that assist with marketing of lignite-based electricity and lignite-based
13 byproducts. Moneys not needed for the purposes stated in this section are available to the
14 commission for funding projects, processes, or activities under the lignite research,
15 development, and marketing program.

16 **SECTION 14. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of
17 \$29,475,016 included in subdivision 1 of section 3 of this Act in the grants - bond payments line
18 item must be paid from the following funding sources during the biennium beginning July 1,
19 2007, and ending June 30, 2009:

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| 20 North Dakota university system | \$15,822,002 |
| 21 North Dakota university system - Energy conservation projects | 1,491,242 |
| 22 Department of corrections - State penitentiary | 3,090,022 |
| 23 Department of corrections - Energy conservation projects | 17,958 |
| 24 State department of health | 692,242 |
| 25 Job service North Dakota | 743,905 |
| 26 Department of human services - Southeast human service center | 56,431 |
| 27 Department of human services - State hospital | 466,391 |
| 28 Department of human services - Developmental center at Grafton | 534,505 |
| 29 Adjutant general | 70,667 |
| 30 Veterans' home improvement fund | 256,114 |
| 31 Information technology department - ConnectND | 5,407,075 |

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| 1 | Office of management and budget | 158,519 |
| 2 | Office of the attorney general | 182,485 |
| 3 | State historical society | 331,762 |
| 4 | Parks and recreation | 17,544 |
| 5 | Research and extension service | <u>136,152</u> |
| 6 | Total | \$29,475,016 |

7 **SECTION 15. APPROPRIATION - TRANSFER.** The funds appropriated in
8 subdivision 3 of section 3 of this Act must be transferred by the Bank of North Dakota to the
9 partnership in assisting community expansion fund; the agriculture partnership in assisting
10 community expansion fund; and the biofuels partnership in assisting community expansion
11 fund. The Bank of North Dakota may not be construed to be a general fund agency because of
12 the appropriation made by subdivision 3 of section 3 of this Act.

13 **SECTION 16. TRANSFER AUTHORITY.** Notwithstanding any other provision of law,
14 the Bank of North Dakota may transfer any unobligated funds between funds that have been
15 appropriated by the legislative assembly for partnership in assisting community expansion fund
16 and the biofuels partnership in assisting community expansion fund.

17 **SECTION 17. TRANSFER - BUDGET SECTION APPROVAL.** Notwithstanding any
18 other provision of law, the Bank of North Dakota may transfer any unobligated funds that have
19 been appropriated by the legislative assembly for the medical partnership in assisting
20 community expansion fund to the partnership in assisting community expansion fund, upon
21 approval by the budget section.

22 **SECTION 18. AMENDMENT.** Subsection 6 of section 6-09-15 of the North Dakota
23 Century Code is amended and reenacted as follows:

24 6. Lease, assign, sell, exchange, transfer, convey, grant, pledge, or mortgage all real
25 and personal property, title to which has been acquired in any manner.

26 **SECTION 19. AMENDMENT.** Section 6-09.17-02 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **6-09.17-02. Biodiesel partnership in assisting community expansion fund -**
29 **Continuing appropriation - Administration.** A biodiesel partnership in assisting community
30 expansion fund is hereby established. All moneys transferred into the fund, interest on fund
31 moneys, and payments to the fund are hereby appropriated for the purposes of this chapter.

1 This fund is not subject to section 54-44.1-11 and any unexpended and unobligated balance in
2 the fund at the end of the biennium must be transferred to the ~~state general fund~~ biofuels
3 partnership in assisting community expansion fund. The Bank of North Dakota shall administer
4 the fund.

5 **SECTION 20.** A new section to chapter 6-09.17 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Partnership in assisting community expansion fund incentive limitation.** A
8 biodiesel production facility or ethanol production facility that receives interest buydown from
9 the biofuels partnership in assisting community expansion fund is not eligible to receive interest
10 buydown from the partnership in assisting community expansion fund for the same project
11 during the same biennium.

12 **SECTION 21. CONTINGENT OIL AND GAS DIVISION FUNDING - EMERGENCY**

13 **COMMISSION APPROVAL.** The funds appropriated in the oil and gas division contingency
14 line item in subdivision 1 of section 3 of this Act are from the land and minerals trust fund. If
15 funds are required due to the average drilling rig count exceeding forty-five active rigs for each
16 month in any consecutive three-month period, the oil and gas division may spend moneys from
17 this line item upon emergency commission approval. The oil and gas division may hire up to
18 two full-time equivalent positions with the contingency funds.

19 **SECTION 22. EMERGENCY.** The appropriation in subdivision 3 of section 3 of this
20 Act for the partnership in assisting community expansion fund; the transfer in section 15 of this
21 Act for the partnership in assisting community expansion fund; and the transfer in section 16 of
22 this Act between the partnership in assisting community expansion fund and the biofuels
23 partnership in assisting community expansion fund are declared to be emergency measures.