

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 amend and reenact section 6-09.17-02 of the North
4 Dakota Century Code, relating to the biodiesel partnership in assisting community expansion
5 fund; and to declare an emergency.

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

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

10 Subdivision 1.

11 INDUSTRIAL COMMISSION

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

21 Subdivision 2.

22 BANK OF NORTH DAKOTA - OPERATIONS

23	Salaries and wages	\$18,302,410
24	Operating expenses	10,925,665

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1	Capital assets	11,272,000
2	Contingencies	<u>1,700,000</u>
3	Total from Bank of North Dakota fund - Base level	\$42,200,075
4	Subdivision 3.	
5	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT	
6	Partnership in assisting community expansion fund	\$5,700,000
7	Agriculture partnership in assisting community expansion fund	1,425,000
8	Beginning farmer revolving loan fund	950,000
9	Biodiesel partnership in assisting community expansion fund	<u>1,200,000</u>
10	Total all funds - Base level	\$9,275,000
11	Less beginning farmer revolving loan fund - Base level	<u>2,375,000</u>
12	Total general fund - Base level	\$6,900,000
13	Subdivision 4.	
14	MILL AND ELEVATOR ASSOCIATION	
15	Salaries and wages	\$17,332,391
16	Operating expenses	14,959,013
17	Contingencies	300,000
18	Agriculture promotion	<u>250,000</u>
19	Total from mill and elevator fund - Base level	\$32,841,404
20	Subdivision 5.	
21	HOUSING FINANCE AGENCY	
22	Salaries and wages	\$4,413,156
23	Operating expenses	2,805,578
24	Grants	26,591,280
25	Housing finance agency contingencies	<u>100,000</u>
26	Total from housing finance agency fund - Base level	\$33,910,014
27	Grand total general fund - Section 1	\$13,778,658
28	Grand total special funds - Section 1	\$155,229,631
29	Grand total all funds - Section 1	\$169,008,289

30 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
31 amounts identified in this section represent the funding adjustments or enhancements to the

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1 base funding level for the state industrial commission and agencies under its control which are
2 included in the appropriation in section 3 of this Act as follows:

3 Subdivision 1.

4 INDUSTRIAL COMMISSION

5 Salaries and wages	\$1,104,082
6 Operating expenses	347,840
7 Capital assets	219,000
8 Grants - Lignite research and development	4,210,600
9 Grants - Fossil excavation and restoration fund	250,000
10 Bond payments	2,182,604
11 Oil and gas division contingency	<u>(225,000)</u>
12 Total all funds - Adjustments/enhancements	\$8,089,126
13 Less estimated income - Adjustments/enhancements	<u>6,204,994</u>
14 Total general fund - Adjustments/enhancements	\$1,884,132

15 Subdivision 2.

16 BANK OF NORTH DAKOTA - OPERATIONS

17 Salaries and wages	\$1,992,949
18 Operating expenses	2,371,335
19 Capital assets	<u>(9,372,000)</u>
20 Total from Bank of North Dakota fund - Adjustments/enhancements	(\$5,007,716)

21 Subdivision 3.

22 BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

23 Partnership in assisting community expansion fund	(\$1,200,000)
24 Agriculture partnership in assisting community expansion fund	(25,000)
25 Biodiesel partnership in assisting community expansion fund	(1,200,000)
26 Biofuels partnership in assisting community expansion fund	<u>4,200,000</u>
27 Total all funds - Adjustments/enhancements	\$1,775,000
28 Less beginning farmer revolving loan fund - Adjustments/enhancements	<u>(1,425,000)</u>
29 Total general fund - Adjustments/enhancements	\$3,200,000

30 Subdivision 4.

31 MILL AND ELEVATOR ASSOCIATION

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1	Salaries and wages	\$2,735,874
2	Operating expenses	1,303,559
3	Agriculture promotion	<u>(100,000)</u>
4	Total from mill and elevator fund - Adjustments/enhancements	\$3,939,433

5 Subdivision 5.

6 HOUSING FINANCE AGENCY

7	Salaries and wages	\$288,368
8	Operating expenses	6,607,200
9	Grants	<u>728,520</u>
10	Total from housing finance agency fund - Adjustments/enhancements	\$7,624,088
11	Grand total general fund - Section 2	\$5,084,132
12	Grand total special funds - Section 2	\$11,335,799
13	Grand total all funds - Section 2	\$16,419,931

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

20 Subdivision 1.

21 INDUSTRIAL COMMISSION

22	Salaries and wages	\$7,215,116
23	Operating expenses	2,255,690
24	Capital assets	264,500
25	Grants - Lignite research and development	19,410,600
26	Grants - Fossil excavation and restoration fund	250,000
27	Grants - Bond payments	<u>29,475,016</u>
28	Total all funds	\$58,870,922
29	Less estimated income	<u>50,108,132</u>
30	Total general fund appropriation	\$8,762,790

31 Subdivision 2.

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1	BANK OF NORTH DAKOTA - OPERATIONS	
2	Salaries and wages	\$20,295,359
3	Operating expenses	13,297,000
4	Capital assets	1,900,000
5	Contingencies	<u>1,700,000</u>
6	Total appropriation from Bank of North Dakota fund	\$37,192,359
7	Subdivision 3.	
8	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT	
9	Partnership in assisting community expansion fund	\$4,500,000
10	Agriculture partnership in assisting community expansion fund	1,400,000
11	Beginning farmer revolving loan fund	950,000
12	Biofuels partnership in assisting community expansion fund	<u>4,200,000</u>
13	Total all funds	\$11,050,000
14	Less beginning farmer revolving loan fund	<u>950,000</u>
15	Total general fund	\$10,100,000
16	Subdivision 4.	
17	MILL AND ELEVATOR ASSOCIATION	
18	Salaries and wages	\$20,068,265
19	Operating expenses	16,262,572
20	Contingencies	300,000
21	Agriculture promotion	<u>150,000</u>
22	Total appropriation from mill and elevator fund	\$36,780,837
23	Subdivision 5.	
24	HOUSING FINANCE AGENCY	
25	Salaries and wages	\$4,701,524
26	Operating expenses	9,412,778
27	Grants	27,319,800
28	Housing finance agency contingencies	<u>100,000</u>
29	Total appropriation from housing finance agency fund	\$41,534,102
30	Total general fund appropriation - H.B. 1014	\$18,862,790

1	Total special funds appropriation - H.B. 1014	\$166,565,430
2	Total all funds appropriation - H.B. 1014	\$185,428,220

3 **SECTION 4. APPROPRIATION.** In addition to the amount appropriated to the housing
4 finance agency in subdivision 5 of section 3 of this Act, there is appropriated any additional
5 income or unanticipated income from federal or other funds which may become available to the
6 agency for the biennium beginning July 1, 2007, and ending June 30, 2009.

7 **SECTION 5. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In
8 addition to the amount appropriated to the state industrial commission in subdivision 1 of
9 section 3 of this Act, there is appropriated, with the approval of the emergency commission,
10 funds that may become available to the commission from bonds authorized by law to be issued
11 by the state industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for
12 the biennium beginning July 1, 2007, and ending June 30, 2009.

13 **SECTION 6. EXEMPTION.** The amount appropriated to the Bank of North Dakota in
14 the capital assets line item in sections 3 and 6 of 2005 Senate Bill No. 2014 is not subject to the
15 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available
16 for construction of a new building during the biennium beginning July 1, 2007, and ending
17 June 30, 2009.

18 **SECTION 7. TRANSFER.** The sum of \$80,195, 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 North Dakota mill and elevator association. The 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 8. TRANSFER.** The sum of \$102,066, or so much of the sum as may be
24 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
25 this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The
26 moneys must be transferred during the biennium beginning July 1, 2007, and ending June 30,
27 2009, upon order of the state industrial commission.

28 **SECTION 9. TRANSFER.** The sum of \$69,259, or so much of the sum as may be
29 necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of
30 this Act, is from the housing finance agency fund. The moneys must be transferred during the

1 biennium beginning July 1, 2007, and ending June 30, 2009, upon order of the state industrial
2 commission.

3 **SECTION 10. TRANSFER.** The sum of \$21,872, 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 revenues of the public finance authority. The available 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 11. INCOME AUTHORIZATION - STUDENT LOAN TRUST.** There is
9 authorized the receipt of fees by the state industrial commission in the sum of \$91,131, or so
10 much of the sum as is owed, included in the special funds appropriation line item in
11 subdivision 1 of section 3 of this Act, from the student loan trust for administrative services
12 rendered by the state industrial commission to the extent permitted by sections 54-17-24 and
13 54-17-25. The fees must be received during the biennium beginning July 1, 2007, and ending
14 June 30, 2009, upon order of the state industrial commission.

15 **SECTION 12. TRANSFER.** The state industrial commission shall transfer to the
16 general fund in the state treasury the sum of \$5,000,000 from the North Dakota mill and
17 elevator association. The moneys must be transferred in amounts and at such times as
18 requested by the director of the office of management and budget during the biennium
19 beginning July 1, 2007, and ending June 30, 2009.

20 **SECTION 13. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING**
21 **PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount
22 of \$1,500,000, or so much of the amount as may be necessary, included in the grants and
23 special funds appropriation line item in subdivision 1 of section 3 of this Act, is appropriated
24 from the lignite research fund for the purpose of contracting for an independent, nonmatching
25 lignite marketing feasibility study or studies that determine those focused priority areas where
26 near-term, market-driven projects, activities, or processes will generate matching private
27 industry investment and have the most potential of preserving existing lignite production and
28 industry jobs or that will lead to increased development of lignite and its products and create
29 new lignite industry jobs and economic growth for the general welfare of this state. Moneys
30 appropriated pursuant to this section may also be used for the purpose of contracting for
31 nonmatching studies and activities in support of the lignite vision 21 project; for nonmatching

1 externality studies and activities in externality proceedings; or other marketing, environmental,
2 or transmission activities that assist with marketing of lignite-based electricity and lignite-based
3 byproducts. Moneys not needed for the purposes stated in this section are available to the
4 commission for funding projects, processes, or activities under the lignite research,
5 development, and marketing program.

6 **SECTION 14. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of
7 \$29,475,016 included in subdivision 1 of section 3 of this Act in the grants - bond payments line
8 item must be paid from the following funding sources during the biennium beginning July 1,
9 2007, and ending June 30, 2009:

10 North Dakota university system	\$15,822,002
11 North Dakota university system - Energy conservation projects	1,491,242
12 Department of corrections - State penitentiary	3,090,022
13 Department of corrections - Energy conservation projects	17,958
14 State department of health	692,242
15 Job service North Dakota	743,905
16 Department of human services - Southeast human service center	56,431
17 Department of human services - State hospital	466,391
18 Department of human services - Developmental center at Grafton	534,505
19 Adjutant general	70,667
20 Veterans' home improvement fund	256,114
21 Information technology department - ConnectND	5,407,075
22 Office of management and budget	158,519
23 Office of the attorney general	182,485
24 State historical society	331,762
25 Parks and recreation	17,544
26 Research and extension service	<u>136,152</u>
27 Total	\$29,475,016

28 **SECTION 15. APPROPRIATION - TRANSFER.** The funds appropriated in
29 subdivision 3 of section 3 of this Act must be transferred by the Bank of North Dakota to the
30 partnership in assisting community expansion fund; the agriculture partnership in assisting
31 community expansion fund; and the biofuels partnership in assisting community expansion

1 fund. The Bank of North Dakota may not be construed to be a general fund agency because of
2 the appropriation made by subdivision 3 of section 3 of this Act.

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

7 **SECTION 17. AMENDMENT.** Section 6-09.17-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **6-09.17-02. Biodiesel partnership in assisting community expansion fund -**
10 **Continuing appropriation - Administration.** A biodiesel partnership in assisting community
11 expansion fund is hereby established. All moneys transferred into the fund, interest on fund
12 moneys, and payments to the fund are hereby appropriated for the purposes of this chapter.
13 This fund is not subject to section 54-44.1-11 and any unexpended and unobligated balance in
14 the fund at the end of the biennium must be transferred to the ~~state general fund~~ biofuels
15 partnership in assisting community expansion fund. The Bank of North Dakota shall administer
16 the fund.

17 **SECTION 18. EMERGENCY.** The appropriation in subdivision 3 of section 3 of this Act
18 for the partnership in assisting community expansion fund; the transfer in section 15 of this Act
19 for the partnership in assisting community expansion fund; and the transfer in section 16 of this
20 Act between the partnership in assisting community expansion fund and the biofuels
21 partnership in assisting community expansion fund are declared to be emergency measures.