

FIRST ENGROSSMENT

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2014

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 repeal
3 section 16 of chapter 14 of the 2007 Session Laws, relating to a transfer from the North Dakota
4 mill and elevator association; to provide legislative intent; to provide an appropriation; to
5 provide a contingent appropriation; to provide an exemption; and to authorize transfers.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
8 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not other otherwise appropriated, and from special funds derived from federal funds
10 and other income, to the state industrial commission and agencies under its control for the
11 purpose of defraying the expenses of the state industrial commission and agencies under its
12 control, for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

13 Subdivision 1.

	INDUSTRIAL COMMISSION		
		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
17 Salaries and wages	\$7,207,544	\$2,562,503	\$9,770,047
18 Operating expenses	2,255,690	589,978	2,845,668
19 Capital assets	34,500	14,500	49,000
20 Grants - Lignite research	19,410,600	560,700	19,971,300
21 and development			
22 Grants - Bond payments	29,475,016	(2,033,151)	27,441,865
23 Oil and gas division contingency	285,000	(285,000)	0
24 Biomass incentive and research	2,000,000	(2,000,000)	0

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1	Renewable energy development	<u>20,000,000</u>	<u>(15,000,000)</u>	<u>5,000,000</u>
2	Total all funds	\$80,668,350	(\$15,590,470)	\$65,077,880
3	Less estimated income	<u>69,392,346</u>	<u>(20,071,262)</u>	<u>49,321,084</u>
4	Total general fund	\$11,276,004	\$4,480,792	\$15,756,796
5	Full-time equivalent positions	55.37	4.69	60.06

6 Subdivision 2.

7 BANK OF NORTH DAKOTA - OPERATIONS

8			Adjustments or	
9		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
10	Bank of North Dakota	\$35,271,867	\$5,721,483	\$40,993,350
11	operations			
12	Capital assets	<u>1,900,000</u>	<u>(445,000)</u>	<u>1,455,000</u>
13	Total from the Bank of	\$37,171,867	\$5,276,483	\$42,448,350
14	North Dakota fund			
15	Full-time equivalent positions	176.50	(5.00)	171.50

16 Subdivision 3.

17 BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	Partnership in assisting	\$8,000,000	\$0	\$8,000,000
21	community expansion fund			
22	Agriculture partnership in assisting	1,400,000	0	1,400,000
23	community expansion fund			
24	Beginning farmer revolving loan fund	950,000	0	950,000
25	Biofuels partnership in assisting	0	1,400,000	1,400,000
26	community expansion fund	_____	_____	_____
27	Total all funds	\$10,350,000	\$1,400,000	\$11,750,000
28	Less beginning farmer	950,000	0	950,000
29	revolving loan fund	_____	_____	_____
30	Total general fund	\$9,400,000	\$1,400,000	\$10,800,000

31 Subdivision 4.

1	MILL AND ELEVATOR ASSOCIATION			
2			Adjustments or	
3		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
4	Salaries and wages	\$20,053,037	\$2,546,287	\$22,599,324
5	Operating expenses	16,262,572	720,346	16,982,918
6	Contingencies	300,000	(150,000)	150,000
7	Agriculture promotion	<u>150,000</u>	<u>175,000</u>	<u>325,000</u>
8	Total from mill and elevator fund	\$36,765,609	\$3,291,633	\$40,057,242
9	Full-time equivalent positions	131.00	0.00	131.00

10 Subdivision 5.

11	HOUSING FINANCE AGENCY			
12			Adjustments or	
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Salaries and wages	\$4,696,712	\$1,533,535	\$6,230,247
15	Operating expenses	9,412,778	(735,197)	8,677,581
16	Grants	27,319,800	(1,095,440)	26,224,360
17	Housing finance agency	100,000	0	100,000
18	contingencies	_____	_____	_____
19	Total from housing finance	\$41,529,290	(\$297,102)	\$41,232,188
20	agency fund			
21	Full-time equivalent positions	43.00	4.00	47.00

22 Subdivision 6.

23	BILL TOTAL			
24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Grand total general fund	\$20,676,004	\$5,880,792	\$26,556,796
27	Grand total special funds	<u>185,809,112</u>	<u>(11,800,248)</u>	<u>174,008,864</u>
28	Grand total all funds	\$206,485,116	(\$5,919,456)	\$200,565,660

29 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
30 **SIXTY-SECOND LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

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1 funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the
2 2009-11 one-time funding items included in the grand total appropriation in section 1 of this Act:

3 <u>One-Time Funding Description</u>	<u>2007-09</u>	<u>2009-11</u>
4 Biofuels partnership in assisting community expansion	\$4,200,000	\$1,400,000
5 Fossil restoration fund	250,000	0
6 Core and sample library repairs	230,000	0
7 Renewable energy development program	0	5,000,000
8 Fracturing sand and coalbed methane studies	<u>0</u>	<u>93,152</u>
9 Total general fund	\$4,680,000	\$6,493,152

10 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the
11 2011-13 biennium. The industrial commission shall report to the appropriations committees of
12 the sixty-second legislative assembly on the use of this one-time funding for the biennium
13 beginning July 1, 2009, and ending June 30, 2011.

14 **SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS.** The amount of
15 \$27,441,865 included in subdivision 1 of section 1 of this Act in the grants - bond payments line
16 item must be paid from the following funding sources during the biennium beginning July 1,
17 2009, and ending June 30, 2011:

18 North Dakota university system	\$12,014,048
19 North Dakota university system - Energy conservation projects	1,869,248
20 Department of corrections and rehabilitation - State penitentiary	2,203,515
21 Department of corrections and rehabilitation - Energy conservation projects	18,580
22 State department of health	704,127
23 Job service North Dakota	747,772
24 Department of human services - State hospital	437,729
25 Department of human services - Developmental center at Grafton	501,657
26 Adjutant general	70,627
27 Information technology department - ConnectND	5,405,936
28 Office of management and budget	665,298
29 Office of the attorney general	765,882
30 State historical society	1,392,393
31 Parks and recreation	73,630

1	Research and extension service	<u>571,423</u>
2	Total	\$27,441,865

3 **SECTION 4. APPROPRIATION.** In addition to the amount appropriated to the housing
4 finance agency in subdivision 5 of section 1 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, 2009, and ending June 30, 2011.

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 1 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 for the biennium beginning July 1, 2009, and ending
12 June 30, 2011.

13 **SECTION 6. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING -**
14 **EMERGENCY COMMISSION APPROVAL.** Of the funds appropriated in the salaries and
15 wages and operating expense line items in subdivision 1 of section 1 of this Act, \$515,207 are
16 from the lands and minerals trust fund. If funds are required due to the average drilling rig
17 count exceeding one hundred active rigs for each month in any consecutive three-month
18 period, the oil and gas division may spend \$319,041 of these funds and hire up to two full-time
19 equivalent positions, upon emergency commission approval. If funds are required due to
20 receipt of an application for solution mining of potash or uranium, the geological survey division
21 may spend \$196,166 of these funds and hire up to one full-time equivalent position, upon
22 emergency commission approval.

23 **SECTION 7. EXEMPTION.** The biomass incentive and research fund is not subject to
24 section 54-44.1-11 and any unexpended and unobligated balance in the fund at June 30, 2009,
25 must be transferred to the renewable energy development fund.

26 **SECTION 8. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
27 **FUND.** During the biennium beginning July 1, 2009, and ending June 30, 2011, the industrial
28 commission shall transfer to the state general fund \$60,000,000 from the current earnings and
29 the accumulated undivided profits of the Bank of North Dakota. The moneys must be
30 transferred in the amounts and at the times requested by the director of the office of

1 management and budget. A transfer authorized may be made only to the extent the transfer
2 does not reduce the Bank's capital structure below \$225,000,000.

3 **SECTION 9. NORTH DAKOTA MILL AND ELEVATOR ASSOCIATION TRANSFER**
4 **TO STATE GENERAL FUND.** The state industrial commission shall transfer to the general
5 fund in the state treasury the sum of \$2,500,000 from the North Dakota mill and elevator
6 association. The moneys must be transferred in amounts and at such times as requested by
7 the director of the office of management and budget during the biennium beginning July 1,
8 2009, and ending June 30, 2011.

9 **SECTION 10. TRANSFER.** The sum of \$471,633, or so much of the sum as may be
10 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
11 this Act, may be transferred from the entities within the control of the state industrial
12 commission to the industrial commission fund for administrative services rendered by
13 commission. Transfers shall be made during the biennium beginning July 1, 2009, and ending
14 June 30, 2011, upon order of the commission. Transfers from the student loan trust must be
15 made to the extent permitted by sections 54-17-24 and 54-17-25.

16 **SECTION 11. APPROPRIATION - TRANSFER.** The funds appropriated in
17 subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the
18 partnership in assisting community expansion fund; the agriculture partnership in assisting
19 community expansion fund; and the biofuels partnership in assisting community expansion
20 fund. The Bank of North Dakota may not be construed to be a general fund agency because of
21 the appropriation made by subsection 3 of section 1 of this Act.

22 **SECTION 12. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING**
23 **PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount
24 of \$1,500,000, or so much of the amount as may be necessary, included in the grants and
25 special funds appropriation line item in subdivision 1 of section 1 of this Act, is appropriated
26 from the lignite research fund for the purpose of contracting for an independent, nonmatching
27 lignite marketing feasibility study or studies that determine those focused priority areas where
28 near-term, market-driven projects, activities, or processes will generate matching private
29 industry investment and have the most potential of preserving existing lignite production and
30 industry jobs or that will lead to increased development of lignite and its products and create
31 new lignite industry jobs and economic growth for the general welfare of this state. Moneys

1 appropriated pursuant to this section may also be used for the purpose of contracting for
2 nonmatching studies and activities in support of the lignite vision 21 program; for litigation that
3 may be necessary to protect and promote the continued development of lignite resources; for
4 nonmatching externality studies and activities in externality proceedings; or other marketing,
5 environmental, or transmission activities that assist with marketing of lignite-based electricity
6 and lignite-based byproducts. Moneys not needed for the purposes stated in this section are
7 available to the commission for funding projects, processes, or activities under the lignite
8 research, development, and marketing program.

9 **SECTION 13. REPEAL.** Section 16 of chapter 14 of the 2007 Session Laws is
10 repealed.