

**FIRST ENGROSSMENT  
with Senate Amendments  
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:

## Subdivision 1.

## INDUSTRIAL COMMISSION

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
19 Operating expenses	2,646,426	847,318	3,493,744
20 Capital assets	49,000	(49,000)	0
21 Grants - Lignite research and	19,971,300	0	19,971,300
22 development			
23 Grants - Bond payments	27,441,865	(2,052,132)	25,389,733

Sixty-second  
Legislative Assembly

1	Mineral resources contingency	0	743,972	743,972
2	Carbon dioxide storage facility	0	532,000	532,000
3	administrative fund			
4	Renewable energy development	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
5	Total all funds	\$59,430,586	\$4,911,783	\$64,342,369
6	Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
7	Total general fund	\$10,122,102	\$6,709,539	\$16,831,641
8	Full-time equivalent positions	61.06	13.00	74.06
9	Subdivision 2.			

BANK OF NORTH DAKOTA - OPERATIONS

11			Adjustments or	
12		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
13	Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
14	Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
15	Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
16	Full-time equivalent positions	176.50	0.00	176.50
17	Subdivision 3.			

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	Partnership in assisting community	\$8,000,000	(\$2,000,000)	\$6,000,000
22	expansion fund			
23	Agriculture partnership in assisting	1,400,000	(400,000)	1,000,000
24	community expansion fund			
25	Beginning farmer revolving loan fund	950,000	450,000	1,400,000
26	Biofuels partnership in assisting	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
27	community expansion fund			
28	Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
29	Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
30	Total general fund	\$9,400,000	\$0	\$9,400,000
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	\$22,599,324	\$3,712,292	\$26,311,616
5	Operating expenses	16,982,918	3,460,951	20,443,869
6	Contingencies	325,000	75,000	400,000
7	Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
8	Total from mill and elevator fund	\$40,057,242	\$7,308,243	\$47,365,485
9	Full-time equivalent positions	131.00	4.00	135.00
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	\$5,981,828	\$534,449	\$6,516,277
15	Operating expenses	8,677,581	(3,562,732)	5,114,849
16	Grants	26,224,360	634,560	26,858,920
17	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
18	Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
19	Full-time equivalent positions	46.00	0.00	46.00
20	Subdivision 6.			

21	BILL TOTAL			
22			Adjustments or	
23		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
24	Grand total general fund	\$19,522,102	\$6,709,539	\$26,231,641
25	Grand total special funds	<u>174,516,769</u>	<u>5,802,645</u>	<u>180,319,414</u>
26	Grand total all funds	\$194,038,871	\$12,512,184	\$206,551,055

27 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
 28 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 29 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13  
 30 one-time funding items included in the grand total appropriation in section 1 of this Act:

31	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
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Sixty-second  
Legislative Assembly

1	Federal stimulus funds	\$30,360,574	\$0
2	Biofuels partnership in assisting community expansion	700,000	0
3	State facility lignite feasibility demonstration project	400,000	0
4	Ag PACE disaster program	1,000,000	0
5	Recruitment/retention bonuses	185,000	0
6	Renewable energy development program	3,000,000	2,000,000
7	Carbon dioxide storage facility administrative fund	0	532,000
8	Coalbed methane/shallow gas studies	31,152	25,000
9	Fracturing sand and proppant studies	62,000	50,000
10	Oil-bearing rock study	0	40,000
11	Paleontologic preparatory work	<u>0</u>	<u>62,400</u>
12	Total all funds	\$35,738,726	\$2,709,400
13	Total special funds	<u>30,360,574</u>	<u>0</u>
14	Total general fund	\$5,378,152	\$2,709,400

15 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the  
 16 2013-15 biennium. The industrial commission shall report to the appropriations committees of  
 17 the sixty-third legislative assembly on the use of this one-time funding for the biennium  
 18 beginning July 1, 2011, and ending June 30, 2013.

19 **SECTION 3.** A new section to chapter 15-02 of the North Dakota Century Code is created  
 20 and enacted as follows:

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

22 If, through federal legislation, the United States army corps of engineers returns excess  
 23 lands around Lake Sakakawea above an elevation of one thousand eight hundred fifty-four feet  
 24 [565.098 meters] mean sea level and excess lands around Lake Oahe about one thousand six  
 25 hundred twenty feet [493.766 meters] mean sea level, the board of university and school lands  
 26 may accept the land on behalf of the state of North Dakota.

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

31	North Dakota university system	\$12,254,770
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Sixty-second  
Legislative Assembly

1	North Dakota university system - Energy conservation projects	929,789
2	Department of corrections and rehabilitation	1,337,752
3	Department of corrections and rehabilitation - Energy conservation projects	18,604
4	State department of health	672,898
5	Job service North Dakota	710,735
6	Adjutant general	70,225
7	Information technology department - ConnectND	5,406,666
8	Office of management and budget	665,143
9	Office of the attorney general	765,704
10	State historical society	1,392,069
11	Parks and recreation	73,613
12	Research and extension service	571,290
13	Veterans' home	<u>520,475</u>
14	Total	\$25,389,733

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

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

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

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

1       **SECTION 9. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING -**

2       **PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.** Of the

3 funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1

4 of this Act, \$743,972 is from the permanent oil tax trust fund. If funds are required due to the

5 drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and

6 gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position,

7 upon emergency commission approval, and further if funds are required due to the drilling rig

8 count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division

9 may spend up to an additional \$192,393 of these funds and hire one full-time equivalent

10 position, upon emergency commission approval. If funds are required due to the total number of

11 oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend

12 up to \$359,186 and hire two full-time equivalent positions, upon emergency commission

13 approval.

14       **SECTION 10. TRANSFER.** The sum of \$488,211, or so much of the sum as may be

15 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of

16 this Act, may be transferred from the entities within the control of the state industrial commission

17 to the industrial commission fund for administrative services rendered by the commission.

18 Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013,

19 upon order of the commission. Transfers from the student loan trust must be made to the extent

20 permitted by sections 54-17-24 and 54-17-25.

21       **SECTION 11. APPROPRIATION - TRANSFER.** The funds appropriated in subdivision 3 of

22 section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in

23 assisting community expansion fund; the agriculture partnership in assisting community

24 expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in

25 assisting community expansion fund. The Bank of North Dakota may not be construed to be a

26 general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

27       **SECTION 12. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**

28 **APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$1,500,000,

29 or so much of the amount as may be necessary, included in the grants and special funds

30 appropriation line item in subdivision 1 of section 1 of this Act, is appropriated from the lignite

31 research fund for the purpose of contracting for an independent, nonmatching lignite marketing

1 feasibility study or studies that determine those focused priority areas where near-term,  
2 market-driven projects, activities, or processes will generate matching private industry  
3 investment and have the most potential of preserving existing lignite production and industry  
4 jobs or that will lead to increased development of lignite and its products and create new lignite  
5 industry jobs and economic growth for the general welfare of this state. Moneys appropriated  
6 pursuant to this section may also be used for the purpose of contracting for nonmatching  
7 studies and activities in support of the lignite vision 21 program; for litigation that may be  
8 necessary to protect and promote the continued development of lignite resources; for  
9 nonmatching externality studies and activities in externality proceedings; or other marketing,  
10 environmental, or transmission activities that assist with marketing of lignite-based electricity  
11 and lignite-based byproducts. Moneys not needed for the purposes stated in this section are  
12 available to the commission for funding projects, processes, or activities under the lignite  
13 research, development, and marketing program.

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

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

- 1       **SECTION 15. EMERGENCY.** Section 14 and the related funding included in subdivision 1
- 2 of section 1 of this Act are declared to be an emergency measure.