

**FIRST ENGROSSMENT
with Conference Committee 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 provide
3 legislative intent; to provide for a legislative management study; to provide an appropriation; to
4 provide a contingent appropriation; to authorize transfers; and to declare an emergency.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income, to the state industrial commission and agencies under its control for the purpose
10 of defraying the expenses of the state industrial commission and agencies under its control, for
11 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>	
14				
15				
16	Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
17	Operating expenses	2,646,426	847,318	3,493,744
18	Capital assets	49,000	(49,000)	0
19	Grants - Lignite research and	19,971,300	0	19,971,300
20	development			
21	Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
22	Mineral resources contingency	0	743,972	743,972
23	Carbon dioxide storage facility	0	532,000	532,000
24	administrative fund			

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1	Renewable energy development	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
2	Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
3	Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
4	Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
5	Full-time equivalent positions	61.06	13.00	74.06

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 operations	\$41,762,274	\$3,824,881	\$45,587,155
11	Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
12	Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
13	Full-time equivalent positions	176.50	0.00	176.50

14 Subdivision 3.

15 BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

16			Adjustments or	
17		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
18	Partnership in assisting community	\$8,000,000	(\$2,000,000)	\$6,000,000
19	expansion fund			
20	Agriculture partnership in assisting	1,400,000	(400,000)	1,000,000
21	community expansion fund			
22	Beginning farmer revolving loan fund	950,000	450,000	1,400,000
23	Biofuels partnership in assisting	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
24	community expansion fund			
25	Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
26	Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
27	Total general fund	\$9,400,000	\$0	\$9,400,000

28 Subdivision 4.

29 MILL AND ELEVATOR ASSOCIATION

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		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
4	Operating expenses	16,982,918	3,460,951	20,443,869
5	Contingencies	325,000	75,000	400,000
6	Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
7	Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
8	Full-time equivalent positions	131.00	0.00	131.00

9 Subdivision 5.

10 HOUSING FINANCE AGENCY

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
14	Operating expenses	8,677,581	(3,562,732)	5,114,849
15	Grants	26,224,360	634,560	26,858,920
16	Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
17	Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
18	Full-time equivalent positions	46.00	0.00	46.00

19 Subdivision 6.

20 BILL TOTAL

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
21				
22				
23	Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
24	Grand total special funds	<u>174,516,769</u>	<u>5,509,037</u>	<u>180,025,806</u>
25	Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

26 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

27 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

28 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13

29 one-time funding items included in the grand total appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
30			
31	Federal stimulus funds	\$30,360,574	\$0

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1	Biofuels partnership in assisting community expansion	700,000	0
2	State facility lignite feasibility demonstration project	400,000	0
3	Ag PACE disaster program	1,000,000	0
4	Recruitment/retention bonuses	185,000	0
5	Renewable energy development program	3,000,000	1,500,000
6	Temporary employees - Core library	0	90,000
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	\$2,299,400
13	Total special funds	<u>30,360,574</u>	<u>0</u>
14	Total general fund	\$5,378,152	\$2,299,400

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

23	North Dakota university system	\$12,254,770
24	North Dakota university system - Energy conservation projects	929,789
25	Department of corrections and rehabilitation	1,337,752
26	Department of corrections and rehabilitation - Energy conservation projects	18,604
27	State department of health	672,898
28	Job service North Dakota	710,735
29	Adjutant general	70,225
30	Information technology department - ConnectND	5,406,666
31	Office of management and budget	665,143

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1	Office of the attorney general	765,704
2	State historical society	1,392,069
3	Parks and recreation	73,613
4	Research and extension service	571,290
5	Veterans' home	<u>520,475</u>
6	Total	\$25,389,733

7 **SECTION 4. LEGISLATIVE INTENT - LAND PURCHASE.** It is the intent of the
8 sixty-second legislative assembly that to the best of its ability the Bank of North Dakota ensure
9 that properties adjacent to Bank of North Dakota property northwest of west street are
10 developed for uses that are consistent with the mission and purpose of the Bank of North
11 Dakota.

12 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY.** During the 2011-12 interim, the
13 legislative management shall consider studying primacy in the administration of federal
14 environmental protection agency regulations.

15 **SECTION 6. APPROPRIATION.** In addition to the amount appropriated to the housing
16 finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional
17 income or unanticipated income from federal or other funds which may become available to the
18 agency for the biennium beginning July 1, 2011, and ending June 30, 2013.

19 **SECTION 7. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In addition to
20 the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this
21 Act, there is appropriated, with the approval of the emergency commission, funds that may
22 become available to the commission from bonds authorized by law to be issued by the state
23 industrial commission for the biennium beginning July 1, 2011, and ending June 30, 2013.

24 **SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING -**
25 **PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.** Of the
26 funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1
27 of this Act, \$743,972 is from the permanent oil tax trust fund. If funds are required due to the
28 drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and
29 gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position,
30 upon emergency commission approval, and further if funds are required due to the drilling rig
31 count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division

1 may spend up to an additional \$192,393 of these funds and hire one full-time equivalent
2 position, upon emergency commission approval. If funds are required due to the total number of
3 oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend
4 up to \$359,186 and hire two full-time equivalent positions, upon emergency commission
5 approval.

6 **SECTION 9. TRANSFER.** The sum of \$488,211, or so much of the sum as may be
7 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
8 this Act, may be transferred from the entities within the control of the state industrial commission
9 to the industrial commission fund for administrative services rendered by the commission.
10 Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013,
11 upon order of the commission. Transfers from the student loan trust must be made to the extent
12 permitted by sections 54-17-24 and 54-17-25.

13 **SECTION 10. APPROPRIATION - TRANSFER.** The funds appropriated in subdivision 3 of
14 section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in
15 assisting community expansion fund; the agriculture partnership in assisting community
16 expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in
17 assisting community expansion fund. The Bank of North Dakota may not be construed to be a
18 general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

19 **SECTION 11. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**
20 **APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$1,500,000,
21 or so much of the amount as may be necessary, included in the grants and special funds
22 appropriation line item in subdivision 1 of section 1 of this Act, is appropriated from the lignite
23 research fund for the purpose of contracting for an independent, nonmatching lignite marketing
24 feasibility study or studies that determine those focused priority areas where near-term,
25 market-driven projects, activities, or processes will generate matching private industry
26 investment and have the most potential of preserving existing lignite production and industry
27 jobs or that will lead to increased development of lignite and its products and create new lignite
28 industry jobs and economic growth for the general welfare of this state. Moneys appropriated
29 pursuant to this section may also be used for the purpose of contracting for nonmatching
30 studies and activities in support of the lignite vision 21 program; for litigation that may be
31 necessary to protect and promote the continued development of lignite resources; for

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

6 **SECTION 12. LEGISLATIVE INTENT - CORE LIBRARY HOUSING.** It is the intent of the
7 sixty-second legislative assembly that the industrial commission not construct a new building for
8 the expansion for the core library. If the existing location of the core library does not have
9 sufficient space, the industrial commission may relocate parts or all of the library to an existing
10 state-owned facility.

11 **SECTION 13. CARBON DIOXIDE STORAGE FACILITY ADMINISTRATIVE FUND - USE**
12 **OF FUNDING.** The carbon dioxide storage facility administrative fund line item in subdivision 1
13 of section 1 of this Act includes \$532,000 from the general fund that the industrial commission
14 may deposit in its carbon dioxide storage facility administrative fund for the purpose of hiring
15 one full-time equivalent position for up to three years until fee income is sufficient to provide
16 funding for the administration of the provisions of chapter 38-22. The industrial commission shall
17 use this funding to provide a timely response to the environmental protection agency's rules
18 relating to carbon dioxide sequestration and develop a coordinated response from state
19 agencies with the goal of the state of North Dakota having class VI primacy for carbon dioxide
20 storage in North Dakota.

21 **SECTION 14. EMERGENCY.** Section 13 and the related funding included in subdivision 1
22 of section 1 of this Act are declared to be an emergency measure.