

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

Page 1, line 2, after "enact" insert "a new section to chapter 23.1-12 and"

Page 1, line 3, after "inspections" insert "and the petroleum tank release compensation fund"

Page 1, line 8, remove "and"

Page 1, line 9, remove "for"

Page 1, line 9, after "date" insert "; and to provide a contingent expiration date"

Page 1, remove lines 19 through 24

Page 2, replace line 1 with:

|                       |                   |                  |                   |
|-----------------------|-------------------|------------------|-------------------|
| "Salaries and wages   | \$27,040,544      | \$3,546,814      | \$30,587,358      |
| Operating expenses    | 8,005,878         | 1,996,302        | 10,002,180        |
| Capital assets        | 1,258,249         | 1,005,180        | 2,263,429         |
| Grants                | <u>13,407,000</u> | <u>2,454,529</u> | <u>15,861,529</u> |
| Total all funds       | \$49,711,671      | \$9,002,825      | \$58,714,496      |
| Less estimated income | <u>38,987,520</u> | <u>6,661,022</u> | <u>45,648,542</u> |
| Total general fund    | \$10,724,151      | \$2,341,803      | \$13,065,954"     |

Page 2, replace lines 21 through 25 with:

**"SECTION 4. ESTIMATED INCOME - PETROLEUM RELEASE COMPENSATION FUND.** The estimated income line item included in section 1 of this Act includes \$594,434, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the petroleum release compensation fund for expenses related to the petroleum tank release program, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, line 5, replace "**APPROPRIATION**" with "**FUNDING**"

Page 3, line 6, replace "\$1,248,945" with "\$1,056,767"

Page 3, line 6, replace "ten" with "eight"

Page 10, after line 6, insert:

**"SECTION 16.** A new section to chapter 23.1-12 of the North Dakota Century Code is created and enacted as follows:

**Registration fees before adoption of rules.**

Until the department adopts rules establishing a schedule of registration fees under section 23.1-12-17, registration fees must comply with this section. An owner or operator of a tank shall pay an annual registration fee of fifty dollars for each aboveground or underground tank owned or operated by the person. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is less than six million dollars, the annual registration fee of fifty dollars is increased to one hundred dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is

five million five hundred thousand dollars or more and the annual registration fee has been increased to one hundred dollars, the fee must be reduced to fifty dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance exceeds nine million dollars, the annual registration fee is reduced to five dollars. Annual registration fees must continue at five dollars until the fund balance does not exceed nine million dollars."

Page 21, line 15, replace "state fire and tornado fund" with "general fund"

Page 22, after line 6, insert:

**"SECTION 30. BOILER INSPECTION PROGRAM EVALUATION - PLAN - REPORT TO LEGISLATIVE MANAGEMENT.** The department of environmental quality shall evaluate the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the legislative management regarding the plan before June 30, 2020."

Page 22, line 8, remove "and"

Page 22, line 8, after "28" insert ", and 29"

Page 22, line 13, remove "and"

Page 22, line 13, after "28" insert ", and 29"

Page 22, after line 14, insert:

**"SECTION 32. CONTINGENT EXPIRATION DATE.** Section 16 of this Act is effective until the date the legislative council receives certification from the department of environmental quality that rules establishing a schedule of registration fees under section 23.1-12-17 have been adopted, and after that date is ineffective."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1024 - Department of Environmental Quality - Senate Action**

|                       | <b>Base Budget</b> | <b>House Version</b> | <b>Senate Changes</b> | <b>Senate Version</b> |
|-----------------------|--------------------|----------------------|-----------------------|-----------------------|
| Salaries and wages    | \$27,040,544       | \$30,196,953         | \$390,405             | \$30,587,358          |
| Operating expenses    | 8,005,878          | 10,002,180           |                       | 10,002,180            |
| Capital assets        | 1,258,249          | 2,263,429            |                       | 2,263,429             |
| Grants                | <u>13,407,000</u>  | <u>15,861,529</u>    |                       | <u>15,861,529</u>     |
| Total all funds       | \$49,711,671       | \$58,324,091         | \$390,405             | \$58,714,496          |
| Less estimated income | <u>38,987,520</u>  | <u>46,415,932</u>    | (767,390)             | <u>45,648,542</u>     |
| General fund          | \$10,724,151       | \$11,908,159         | \$1,157,795           | \$13,065,954          |
| FTE                   | 152.50             | 165.50               | 0.00                  | 165.50                |

**Department 303 - Department of Environmental Quality - Detail of Senate Changes**

|                       | Adds Funding for Salary Increases <sup>1</sup> | Adds Funding for Health Insurance Increases <sup>2</sup> | Adds 2 FTE Positions for the Supremacy of Federal Programs <sup>3</sup> | Removes 2 FTE Positions for the Supremacy of Federal Programs <sup>4</sup> | Adjusts the Funding Source of the Boiler Inspection Program <sup>5</sup> | Total Senate Changes |
|-----------------------|--|--|---|--|--|----------------------|
| Salaries and wages    | \$184,841                                      | \$13,386   | \$384,356   | (\$192,178)  |  | \$390,405            |
| Operating expenses    |  |  |   |  |  |                      |
| Capital assets        |  |  |   |  |  |                      |
| Grants                |  |  |   |  |  |                      |
| Total all funds       | \$184,841                                      | \$13,386   | \$384,356   | (\$192,178)  | \$0  | \$390,405            |
| Less estimated income | 111,289  | 3,570  | 0   | 0  | (882,249)  | (767,390)            |
| General fund          | \$73,552                                       | \$9,816  | \$384,356   | (\$192,178)  | \$882,249  | \$1,157,795          |
| FTE                   | 0.00   | 0.00   | 2.00  | (2.00)   | 0.00   | 0.00                 |

<sup>1</sup> Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The House provided funding for a salary increase of 2 percent on July 1, 2019, and a 2 percent increase on July 1, 2020.

<sup>2</sup> Funding is added for health insurance increases related to an information technology unification FTE position not removed and the 2 FTE positions related to the supremacy of federal programs.

<sup>3</sup> Two of the contingent FTE positions provided by the House and related funding for salaries and wages are added in the 1st year of the biennium for the supremacy of federal programs. The House provided contingent funding and 10 FTE positions in the 2nd year of the biennium for the supremacy of federal programs.

<sup>4</sup> Two of the contingent 10 FTE positions provided by the House in the 2nd year of the biennium for the supremacy of federal programs and related funding for salaries and wages are removed because they are added in the 1st year of the biennium by the Senate, to provide 8 FTE positions in the 2nd year of the biennium.

<sup>5</sup> Funding provided for the boiler inspection program, including funding for salaries and wages of \$793,249 and operating expenses of \$89,000, is provided from the general fund instead of the state fire and tornado fund.

This amendment also:

- Removes a section identifying funding from the state fire and tornado fund for the boiler inspection program because funding for the program is provided from the general fund;
- Adds a section to identify funding from the petroleum release compensation fund for expenses related to the petroleum release program;
- Adjusts the contingent appropriation from the general fund for federal program supremacy to reduce total funding and FTE added in the 2nd year of the biennium;
- Adds a section to provide for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees;
- Amends the section created to transfer the boiler inspection program to the Department of Environmental Quality to require fees collected under the section are deposited in the general fund, which will result in an estimated increase in general fund revenues of \$600,000;
- Adds a section to require that the Department of Environmental Quality review the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the Legislative Management regarding the plan before June 30, 2020; and
- Adds a section to provide for a contingent expiration date for the section which provides for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees.