

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

HOUSE BILL NO. 1014
(Appropriations Committee)
(At the request of the Governor)

A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide legislative intent; to provide for a legislative management study; to provide an appropriation; to provide a contingent appropriation; to authorize transfers; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

	INDUSTRIAL COMMISSION		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

	BANK OF NORTH DAKOTA - OPERATIONS		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	1,455,000	(189,000)	1,266,000
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting	1,400,000	(400,000)	1,000,000

community expansion fund			
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

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

Subdivision 5.

HOUSING FINANCE AGENCY

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

Subdivision 6.

BILL TOTAL

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

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 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>
Federal stimulus funds	\$30,360,574	\$0
Biofuels partnership in assisting community expansion	700,000	0
State facility lignite feasibility demonstration project	400,000	0
Ag PACE disaster program	1,000,000	0
Recruitment/retention bonuses	185,000	0
Renewable energy development program	3,000,000	1,500,000
Temporary employees - Core library	0	90,000
Carbon dioxide storage facility administrative fund	0	532,000
Coalbed methane/shallow gas studies	31,152	25,000
Fracturing sand and proppant studies	62,000	50,000
Oil-bearing rock study	0	40,000
Paleontologic preparatory work	<u>0</u>	<u>62,400</u>

Total all funds	\$35,738,726	\$2,299,400
Total special funds	<u>30,360,574</u>	<u>0</u>
Total general fund	\$5,378,152	\$2,299,400

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

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$25,389,733 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2011, and ending June 30, 2013:

North Dakota university system	\$12,254,770
North Dakota university system - Energy conservation projects	929,789
Department of corrections and rehabilitation	1,337,752
Department of corrections and rehabilitation - Energy conservation projects	18,604
State department of health	672,898
Job service North Dakota	710,735
Adjutant general	70,225
Information technology department - ConnectND	5,406,666
Office of management and budget	665,143
Office of the attorney general	765,704
State historical society	1,392,069
Parks and recreation	73,613
Research and extension service	571,290
Veterans' home	<u>520,475</u>
Total	\$25,389,733

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

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

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

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

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

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

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

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

SECTION 11. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$1,500,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line item in subdivision 1 of section 1 of this Act, is appropriated from the lignite research fund for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

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

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

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

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1014 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 86 Nays 6 Absent 2

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,
at _____ o'clock _____ M.

Secretary of State