

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2013**

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 commissioner of
2 university and school lands; to provide for distributions from permanent funds; and to amend
3 and reenact section 57-62-04 of the North Dakota Century Code, relating to the energy
4 infrastructure and impact office.

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 from special funds derived from the state lands
8 maintenance fund and the oil and gas impact grant fund in the state treasury, to the
9 commissioner of university and school lands for the purpose of defraying the expenses of the
10 commissioner of university and school lands, for the biennium beginning July 1, 2013, and
11 ending June 30, 2015, as follows:

| | <u>Base Level</u> | Adjustments or <u>Enhancements</u> | <u>Appropriation</u> |
|--|-------------------|---------------------------------------|----------------------|
| 14 Salaries and wages | \$4,145,824 | \$1,011,191 | \$5,157,015 |
| 15 Accrued leave payments | 0 | 108,541 | 108,541 |
| 16 Operating expenses | 1,431,096 | 544,767 | 1,975,863 |
| 17 Capital assets | 0 | 65,550 | 65,550 |
| 18 Grants | 99,778,269 | (99,778,269) | 0 |
| 19 Energy infrastructure and impact office | 0 | 700,826 | 700,826 |
| 20 <u>Contingencies</u> | <u>100,000</u> | <u>100,000</u> | <u>200,000</u> |
| 21 Total special funds | \$105,455,189 | (\$97,247,394) | \$8,207,795 |
| 22 Full-time equivalent positions | 24.75 | 6.25 | 31.00 |

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

1 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
2 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

| 3 | <u>One-Time Funding Description</u> | <u>2011-13</u> | <u>2013-15</u> |
|----|-------------------------------------|-------------------|----------------|
| 4 | Contingent energy impact grants | \$30,000,000 | \$0 |
| 5 | Contingent energy impact grants - | 5,000,000 | 0 |
| 6 | new development counties | | |
| 7 | Capital assets | 10,000 | 65,550 |
| 8 | Private lands study | 0 | 50,000 |
| 9 | Flood impact grants | <u>30,000,000</u> | <u>0</u> |
| 10 | Total all funds | \$65,010,000 | \$115,550 |
| 11 | Less estimated income | <u>35,010,000</u> | <u>115,550</u> |
| 12 | Total general fund | \$30,000,000 | \$0 |

13 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
14 2015-17 biennium. The department shall report to the appropriations committees of the
15 sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning
16 July 1, 2013, and ending June 30, 2015.

17 **SECTION 3. OIL AND GAS IMPACT GRANTS - EXEMPTION.** Section 54-44.1-11 does
18 not apply to appropriations made for oil and gas impact grants in House Bill No. 1358, as
19 approved by the sixty-third legislative assembly, or to the energy infrastructure and impact office
20 line item in section 1 of this Act.

21 **SECTION 4. OIL AND GAS IMPACT GRANTS - FLOOD-IMPACTED POLITICAL**
22 **SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS - 2011-13 - EXEMPTION.**

23 Section 54-44.1-11 does not apply to appropriations made by the sixty-second legislative
24 assembly for oil and gas impact grants and flood-impacted political subdivision infrastructure
25 development grants pursuant to chapter 579 of the 2011 Session Laws.

26 **SECTION 5. APPROPRIATION LINE ITEM TRANSFERS.** Upon approval of the board of
27 university and school lands, the commissioner of university and school lands may transfer
28 between the various line items in section 1 of this Act, including transfers from the contingencies
29 line item to all other line items. The commissioner shall notify the office of management and
30 budget of each transfer made pursuant to this section.

1 **SECTION 6. DISTRIBUTIONS TO STATE INSTITUTIONS.** Pursuant to section 1 of
2 article IX of the Constitution of North Dakota, the board of university and school lands shall
3 distribute during the biennium beginning July 1, 2013, and ending June 30, 2015, the following
4 amounts, from the permanent funds managed for the benefit of the following entities:

| | | |
|----|---|---------------|
| 5 | Common schools | \$130,326,000 |
| 6 | North Dakota state university | 2,066,000 |
| 7 | University of North Dakota | 1,814,000 |
| 8 | Youth correctional center | 810,000 |
| 9 | School for the deaf | 720,000 |
| 10 | State college of science | 731,428 |
| 11 | State hospital | 803,428 |
| 12 | Veterans' home | 325,428 |
| 13 | Valley City state university | 372,000 |
| 14 | North Dakota vision services - school for the blind | 331,428 |
| 15 | Mayville state university | 236,000 |
| 16 | Dakota college at Bottineau | 49,428 |
| 17 | Dickinson state university | 49,428 |
| 18 | Minot state university | <u>49,428</u> |
| 19 | Total | \$138,683,996 |

20 **SECTION 7. PRIVATE LAND STUDY - EMERGENCY COMMISSION APPROVAL FOR**
21 **ADDITIONAL FUNDS.** The operating expenses line item in section 1 of this Act includes the
22 sum of \$50,000 from the strategic investment and improvements fund for a study provided for in
23 House Bill No. 1338, as approved by the sixty-third legislative assembly, of private lands owned
24 adjacent to lands under control of the United States army corps of engineers. If the \$50,000
25 provided for the study is insufficient, the department of trust lands may seek emergency
26 commission approval for additional funding from the state contingencies appropriation of up to
27 \$50,000 for the biennium beginning July 1, 2013, and ending June 30, 2015.

28 **SECTION 8. AMENDMENT.** Section 57-62-04 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **57-62-04. Energy infrastructure and impact office - Appointment of director.**

2 There is hereby created an energy infrastructure and impact office, to be a division within
3 the office of the commissioner of the board of university and school lands, the director of which
4 must be appointed by and serve at the pleasure of the board of university and school lands. The
5 director shall have knowledge of state and local government and shall have experience or
6 training in the fields of taxation and accounting. The salary of the director must be set by the
7 commissioner of university and school lands within the limits of legislative appropriations. The
8 director may employ such other persons as may be necessary and may fix their compensation
9 within the appropriation made for such purpose. The board of university and school lands shall
10 fill any vacancy in the position of director in the same manner as listed above and, in addition,
11 ~~shall serve as an appeals board under rules promulgated by the board of university and school~~
12 ~~lands to reconsider grant applications for aid under this chapter which have been denied by the~~
13 ~~director.~~ All action by the board of university and school lands, including appointment of a
14 director, must be by majority vote.

15 **SECTION 9. OIL AND GAS IMPACT GRANT DISTRIBUTION - DUST CONTROL.** If the
16 dust control pilot project provided for in House Bill No. 1358, as approved by the sixty-third
17 legislative assembly, is deemed effective by the director of the energy infrastructure and impact
18 office, the board of university and school lands may approve up to \$3,000,000 of additional oil
19 and gas impact grants to counties for dust control.

20 **SECTION 10. OIL AND GAS IMPACT GRANT DISTRIBUTION - NEW COUNTIES -**
21 **OTHER USES.** Notwithstanding any other provisions of this Act, the director of the energy
22 infrastructure and impact office may include within recommendations to the board of university
23 and school lands for oil and gas impact grants up to \$5,000,000 of the funds designated for
24 counties experiencing oil and gas development in House Bill No. 1358, as approved by the
25 sixty-third legislative assembly, to any eligible political subdivision if, by January 1, 2015, the
26 funds have not been committed to counties meeting the eligibility requirements for this funding,
27 under provisions of House Bill No. 1358, as approved by the sixty-third legislative assembly.