

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

SENATE BILL NO. 2013
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; and to amend and reenact section 57-62-04 of the North Dakota Century Code, relating to the energy infrastructure and impact office.

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

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

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

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

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

SECTION 3. OIL AND GAS IMPACT GRANTS - EXEMPTION. Section 54-44.1-11 does not apply to appropriations made for oil and gas impact grants in House Bill No. 1358, as approved by the

sixty-third legislative assembly, or to the energy infrastructure and impact office line item in section 1 of this Act.

SECTION 4. OIL AND GAS IMPACT GRANTS - FLOOD-IMPACTED POLITICAL SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS - 2011-13 - EXEMPTION. Section 54-44.1-11 does not apply to appropriations made by the sixty-second legislative assembly for oil and gas impact grants and flood-impacted political subdivision infrastructure development grants pursuant to chapter 579 of the 2011 Session Laws.

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

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

Common schools	\$130,326,000
North Dakota state university	2,066,000
University of North Dakota	1,814,000
Youth correctional center	810,000
School for the deaf	720,000
State college of science	731,428
State hospital	803,428
Veterans' home	325,428
Valley City state university	372,000
North Dakota vision services - school for the blind	331,428
Mayville state university	236,000
Dakota college at Bottineau	49,428
Dickinson state university	49,428
Minot state university	49,428
Total	\$138,683,996

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

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

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

There is hereby created an energy infrastructure and impact office, to be a division within the office of the commissioner of the board of university and school lands, the director of which must be appointed by and serve at the pleasure of the board of university and school lands. The director shall have knowledge of state and local government and shall have experience or training in the fields of taxation and accounting. The salary of the director must be set by the commissioner of university and school lands within the limits of legislative appropriations. The director may employ such other persons as may be necessary and may fix their compensation within the appropriation made for such purpose.

The board of university and school lands shall fill any vacancy in the position of director in the same manner as listed above and, ~~in addition, shall serve as an appeals board under rules promulgated by the board of university and school lands to reconsider grant applications for aid under this chapter which have been denied by the director.~~ All action by the board of university and school lands, including appointment of a director, must be by majority vote.

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

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

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2013.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 91 Nays 0 Absent 3

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2013.

Approved at _____ M. on _____, 2013.

Governor

Filed in this office this _____ day of _____, 2013,

at _____ o'clock _____ M.

Secretary of State