

HOUSE BILL NO. 1014

Introduced by

Appropriations Committee

1 A BILL for an Act to provide for an appropriation for defraying the expenses of the industrial
2 commission and the agencies under the management of the industrial commission; and to
3 provide for a transfer.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from special funds derived from federal funds and
8 other income to the industrial commission and agencies under its control for the purpose of
9 defraying the expenses of the industrial commission and agencies under its control, for the
10 biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

11 Subdivision 1.

12 INDUSTRIAL COMMISSION

13 Governor's

| 14 | <u>Base Level</u> | <u>Recommendation</u> | <u>Appropriation</u> |
|-----------------------------------|-------------------|-----------------------|----------------------|
| 15 Salaries and wages | \$22,014,084 | \$23,754,413 | \$22,014,084 |
| 16 Operating expenses | 5,305,888 | 5,991,987 | 5,305,888 |
| 17 Capital assets | 0 | 5,000,000 | 0 |
| 18 Grants - bond payments | 13,210,484 | 10,508,767 | 13,210,484 |
| 19 Contingencies | <u>221,737</u> | <u>0</u> | <u>221,737</u> |
| 20 Total all funds | \$40,752,193 | \$45,255,167 | \$40,752,193 |
| 21 Less estimated income | <u>15,343,206</u> | <u>18,014,947</u> | <u>15,343,206</u> |
| 22 Total general fund | \$25,408,987 | \$27,240,220 | \$25,408,987 |
| 23 Full-time equivalent positions | 110.25 | 110.25 | 110.25 |

24 Subdivision 2.

| | | | | |
|----|--------------------------------------|-------------------|-----------------------|----------------------|
| 1 | BANK OF NORTH DAKOTA | | | |
| 2 | | Governor's | | |
| 3 | | <u>Base Level</u> | <u>Recommendation</u> | <u>Appropriation</u> |
| 4 | Bank of North Dakota operations | \$58,489,204 | \$143,315,329 | \$58,489,204 |
| 5 | Capital assets | <u>810,000</u> | <u>1,510,000</u> | <u>810,000</u> |
| 6 | Total all funds | \$59,299,204 | \$144,825,329 | \$59,299,204 |
| 7 | Less estimated income | <u>59,299,204</u> | <u>64,825,329</u> | <u>59,299,204</u> |
| 8 | Total general fund | \$0 | \$80,000,000 | \$0 |
| 9 | Full-time equivalent positions | 181.50 | 181.50 | 181.50 |
| 10 | Subdivision 3. | | | |
| 11 | HOUSING FINANCE AGENCY | | | |
| 12 | | Governor's | | |
| 13 | | <u>Base Level</u> | <u>Recommendation</u> | <u>Appropriation</u> |
| 14 | Salaries and wages | \$7,892,056 | \$8,615,649 | \$7,892,056 |
| 15 | Operating expenses | 4,743,355 | 5,346,276 | 4,743,355 |
| 16 | Grants | 31,794,828 | 53,466,600 | 31,794,828 |
| 17 | Housing finance agency contingencies | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |
| 18 | Total special funds | \$44,530,239 | \$67,528,525 | \$44,530,239 |
| 19 | Full-time equivalent positions | 44.00 | 44.00 | 44.00 |
| 20 | Subdivision 4. | | | |
| 21 | MILL AND ELEVATOR ASSOCIATION | | | |
| 22 | | Governor's | | |
| 23 | | <u>Base Level</u> | <u>Recommendation</u> | <u>Appropriation</u> |
| 24 | Salaries and wages | \$39,308,519 | \$46,679,931 | \$39,308,519 |
| 25 | Operating expenses | 28,195,000 | 29,837,000 | 28,195,000 |
| 26 | Contingencies | 500,000 | 500,000 | 500,000 |
| 27 | Agriculture promotion | <u>210,000</u> | <u>210,000</u> | <u>210,000</u> |
| 28 | Total special funds | \$68,213,519 | \$77,226,931 | \$68,213,519 |
| 29 | Full-time equivalent positions | 153.00 | 157.00 | 153.00 |
| 30 | Subdivision 5. | | | |
| 31 | BILL TOTAL | | | |

| | Governor's | | |
|---|---------------------------|-----------------------|----------------------|
| | <u>Base Level</u> | <u>Recommendation</u> | <u>Appropriation</u> |
| 1 | | | |
| 2 | | | |
| 3 | Grand total general fund | \$25,408,987 | \$107,240,220 |
| 4 | Grand total special funds | <u>187,386,168</u> | <u>227,595,732</u> |
| 5 | Grand total all funds | \$212,795,155 | \$334,835,952 |

6 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding
7 items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

| | <u>One-Time Funding Description</u> | <u>2017-19</u> | <u>2019-21</u> |
|----|-------------------------------------|----------------|----------------|
| 8 | | | |
| 9 | Litigation | \$1,000,000 | \$0 |
| 10 | Industrial water supply asset study | 150,000 | 0 |
| 11 | Soil remediation studies | 5,000,000 | 0 |
| 12 | Survey review | <u>800,000</u> | <u>0</u> |
| 13 | Total special funds | \$6,950,000 | \$0 |

14 **SECTION 3. BOND PAYMENTS.** The amount of \$13,210,484 included in subdivision 1 of
15 section 1 of this Act in the grants - bond payments line item must be paid from the following
16 funding sources during the biennium beginning July 1, 2019, and ending June 30, 2021:

| | | |
|----|---|----------------|
| 17 | North Dakota university system | \$6,605,326 |
| 18 | North Dakota university system - energy conservation projects | 491,500 |
| 19 | Department of corrections and rehabilitation | 1,158,679 |
| 20 | Department of corrections and rehabilitation - energy conservation projects | 16,285 |
| 21 | State department of health | 636,877 |
| 22 | Job service North Dakota | 428,100 |
| 23 | Office of management and budget | 665,411 |
| 24 | Attorney general's office | 766,012 |
| 25 | State historical society | 1,392,629 |
| 26 | Parks and recreation department | 73,642 |
| 27 | Research and extension service | 571,520 |
| 28 | Veterans' home | <u>404,503</u> |
| 29 | Total | \$13,210,484 |

30 **SECTION 4. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING.**

31 The amount of \$221,737 from the general fund and two full-time equivalent positions included in

1 subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this
2 section. The industrial commission shall notify the office of management and budget and the
3 legislative council when the total number of wells capable of production and injection exceeds
4 eighteen thousand two hundred. Subject to budget section approval, the industrial commission
5 may spend \$221,737 from the contingencies line item and may hire two full-time equivalent
6 positions if the total number of oil wells capable of production and injection exceeds eighteen
7 thousand two hundred.

8 **SECTION 5. TRANSFER - ENTITIES UNDER THE CONTROL OF THE INDUSTRIAL**
9 **COMMISSION TO INDUSTRIAL COMMISSION FUND.** The sum of \$1,103,779, or so much of
10 the sum as may be necessary, included in the special funds appropriation line item in
11 subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of
12 the industrial commission or entities directed to make payments to the industrial commission
13 fund for administrative services rendered by the commission. Transfers must be made during
14 the biennium beginning July 1, 2019, and ending June 30, 2021, upon order of the commission.
15 Transfers from the student loan trust fund must be made to the extent permitted by
16 sections 54-17-24 and 54-17-25.

17 **SECTION 6. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND.**
18 The industrial commission shall transfer to the general fund \$140,000,000 from the current
19 earnings and the accumulated profits of the Bank of North Dakota during the biennium
20 beginning July 1, 2019, and ending June 30, 2021. The moneys must be transferred in the
21 amounts and at the times requested by the director of the office of management and budget
22 after consultation with the Bank of North Dakota president.

23 **SECTION 7. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM -**
24 **LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$4,500,000 from the lignite
25 research fund, or so much of the amount as may be necessary, may be used for the purpose of
26 contracting for an independent, nonmatching lignite marketing feasibility study or studies that
27 determine those focused priority areas where near-term, market-driven projects, activities, or
28 processes will generate matching private industry investment and have the most potential of
29 preserving existing lignite production and industry jobs or that will lead to increased
30 development of lignite and its products and create new lignite industry jobs and economic
31 growth for the general welfare of this state. Moneys appropriated pursuant to this section also

1 may be used for the purpose of contracting for nonmatching studies and activities in support of
2 the lignite vision 21 program; for litigation that may be necessary to protect and promote the
3 continued development of lignite resources; for nonmatching externality studies and activities in
4 externality proceedings; or other marketing, environmental, or transmission activities that assist
5 with marketing of lignite-based electricity and lignite-based byproducts. Moneys needed for the
6 purposes stated in this section are available to the industrial commission for funding projects,
7 processes, or activities under the lignite research, development, and marketing program.