

# APPROPRIATIONS

## CHAPTER 1

### HOUSE BILL NO. 1001

(Appropriations Committee)  
(At the request of the Governor)

### GOVERNOR

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor.

#### 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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the governor, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$1,734,560
Operating expenses	178,870
Equipment	5,000
Contingency	10,000
Roughrider awards	<u>8,000</u>
Total general fund appropriation	\$1,936,430

**SECTION 2. APPROPRIATION - AUTHORIZATION - GOVERNOR'S OFFICE.** The governor's office is hereby authorized to receive and expend any federal or private funds, which are hereby appropriated, which become available during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. AMENDMENT.** Section 54-07-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.** The annual salary of the governor is ~~sixty-nine~~ seventy-three thousand ~~six~~ one hundred ~~fifty~~ seventy-six dollars through June 30, ~~1996~~ 1998, and ~~seventy-one~~ seventy-five thousand ~~forty-two~~ three hundred seventy-two dollars thereafter.

**SECTION 4. AMENDMENT.** Section 54-08-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-08-03. Salary of lieutenant governor.** The annual salary of the lieutenant governor is ~~fifty-seven~~ sixty thousand ~~two~~ one hundred ~~thirty-eight~~ thirty-two dollars through June 30, ~~1996~~ 1998, and ~~fifty-eight~~ sixty-one thousand ~~three~~ nine hundred ~~eighty-three~~ forty-four dollars thereafter.

Approved April 9, 1997

Filed April 10, 1997

## CHAPTER 2

### HOUSE BILL NO. 1002

(Appropriations Committee)  
(At the request of the Governor)

### SECRETARY OF STATE

AN ACT to provide an appropriation for defraying the expenses of the secretary of state and public printing; and to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$1,667,780
Operating expenses	1,103,190
Equipment	65,000
Petition review	<u>14,000</u>
Total general fund appropriation	\$2,849,970

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	\$ 441,000
Total general fund appropriation	<u>\$ 441,000</u>
Grand total general fund appropriation H.B. 1002	\$3,290,970

**SECTION 2. AMENDMENT.** Section 54-09-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-09-05. Salary of secretary of state.** The annual salary of the secretary of state is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved April 3, 1997

Filed April 3, 1997

## CHAPTER 3

### HOUSE BILL NO. 1003 (Appropriations Committee) (At the request of the Governor)

### ATTORNEY GENERAL

AN ACT to provide an appropriation for defraying the expenses of the attorney general; and to amend and reenact subsection 1 of section 53-06.1-14 and section 54-12-11 of the North Dakota Century Code, relating to license fees for pull tabs and bingo card manufacturers and to the salary of the attorney general.

#### 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 hereby 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 attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$12,887,894
Operating expenses	4,630,014
Equipment	1,044,900
Grants	5,790,003
Arrest and return of fugitives	18,795
Controlled substance	4,000
Litigation fees	139,024
Gaming commission	19,400
Racing commission	219,744
National criminal history improvement project	1,135,781
Law enforcement programs	<u>620,701</u>
Total all funds	\$26,510,256
Less estimated income	<u>13,786,432</u>
Total general fund appropriation	\$12,723,824

**SECTION 2. FIRE AND TORNADO FUND.** The estimated income line item in section 1 of this Act includes the sum of \$834,973, or so much of the sum as may be necessary from the state fire and tornado fund, for the purpose of defraying the expenses related to the state fire marshal program.

**SECTION 3. ASSET FORFEITURE FUND.** The sum of \$30,000 is available from the asset forfeiture fund to the attorney general as included in estimated income of section 1 of this Act.

**SECTION 4. COLLECTIONS.** Section 1 of this Act includes the appropriation of up to \$15,000 in revenues collected from fees charged for gaming law and administrative rules manuals published by the attorney general for the period beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. LOCAL GAMING ENFORCEMENT GRANTS.** The attorney general, through the state treasurer's office, shall pay, from funds

appropriated in the grants line item in section 1 of this Act, \$126,769 per quarter to cities and counties in proportion to the adjusted gross proceeds within each city, for sites within city limits, or within each county, for sites outside city limits, to the total adjusted gross proceeds for the biennium beginning July 1, 1997, and ending June 30, 1999. The attorney general may make a payment to a city or county pursuant to this section only if the amount owed to a city or county for that quarter is ten dollars or more. Any amounts received by a city or county under this section must be used by the city or county for expenses connected with gaming enforcement within the city or county.

<sup>1</sup> **SECTION 6. AMENDMENT.** Subsection 1 of section 53-06.1-14 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. A manufacturer of pull tabs, manufacturer of bingo cards, manufacturer of pull tab dispensing devices, manufacturer's distributor of pull tab dispensing devices, and distributor shall apply annually for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may require. The license fee for a distributor is one thousand five hundred dollars. The license fee for a manufacturer's distributor is five hundred dollars. The license fee for a manufacturer of pull tab dispensing devices, manufacturer of pull tabs, bingo cards, or both a manufacturer of pull tabs and bingo cards, is ~~two~~ four thousand dollars.

**SECTION 7. AMENDMENT.** Section 54-12-11 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.** The annual salary of the attorney general is ~~fifty-nine~~ sixty-two thousand five hundred ~~seventy-six~~ ninety-two dollars through June 30, ~~1996~~ 1998, and ~~sixty~~ sixty-four thousand ~~seven~~ four hundred ~~sixty-eight~~ sixty-four dollars thereafter.

Approved April 10, 1997  
Filed April 11, 1997

---

<sup>1</sup> Section 53-06.1-14 was also amended by section 18 of House Bill No. 1167, chapter 428.

## CHAPTER 4

### HOUSE BILL NO. 1004

(Appropriations Committee)  
(At the request of the Governor)

### STATE AUDITOR

AN ACT to provide an appropriation for defraying the expenses of the state auditor; and to amend and reenact section 54-10-10 of the North Dakota Century Code, relating to the salary of the state auditor.

**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 hereby 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 auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Administration	\$ 259,483
Division of local government audits	1,130,139
Division of state audits	3,363,047
Mineral royalty auditing	<u>682,420</u>
Total all funds	\$5,435,089
Less estimated income	<u>1,812,559</u>
Total general fund appropriation	\$3,622,530

**SECTION 2. APPROPRIATION.** Section 1 of this Act includes an appropriation of up to \$1,130,139 in funds generated by the state auditor from political subdivision audit service fees for the period beginning July 1, 1997, and ending June 30, 1999. Any amount in excess of \$1,130,139 must be deposited in the state auditor operating account and made available for appropriation after June 30, 1999.

**SECTION 3. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the state auditor may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 4. AMENDMENT.** Section 54-10-10 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-10-10. Salary of state auditor.** The annual salary of the state auditor is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved April 10, 1997  
Filed April 11, 1997

## CHAPTER 5

### HOUSE BILL NO. 1005

(Appropriations Committee)  
(At the request of the Governor)

### STATE TREASURER

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$560,331
Operating expenses	95,079
Equipment	<u>10,000</u>
Total general fund appropriation	<u>\$665,410</u>

**SECTION 2. AMENDMENT.** Section 54-11-13 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-11-13. Salary of state treasurer.** The annual salary of the state treasurer is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved March 7, 1997  
Filed March 10, 1997

## CHAPTER 6

### HOUSE BILL NO. 1006

(Appropriations Committee)  
(At the request of the Governor)

### TAX COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the state tax commissioner; to provide a statement of legislative intent; and to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the state tax commissioner for the purpose of defraying the expenses of the state tax commissioner for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$11,641,812
Operating expenses	4,460,817
Equipment	229,384
City tax administration fees	50,000
Motor fuels federal grant	<u>303,572</u>
Total all funds	\$16,685,585
Less estimated income	<u>303,572</u>
Total general fund appropriation	\$16,382,013

**SECTION 2. TRANSFER.** There is hereby transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of \$1,128,872 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

**SECTION 3. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the tax commissioner coordinate the development of "Project 2001", the department's new tax processing system to allow, when completed, the exchange of information with other agencies, where appropriate, and to share equipment and processes with other agencies, where possible.

**SECTION 4. AMENDMENT.** Section 57-01-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-01-04. Salary.** The annual salary of the state tax commissioner is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved April 10, 1997  
Filed April 10, 1997

## CHAPTER 7

### HOUSE BILL NO. 1007

(Appropriations Committee)  
(At the request of the Governor)

### LABOR COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the labor commissioner; and to amend and reenact section 34-05-01.2 of the North Dakota Century Code, relating to the salary of the labor commissioner.

#### 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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the labor commissioner for the purpose of defraying the expenses of the labor commissioner for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$592,761
Operating expenses	101,200
Equipment	<u>7,000</u>
Total all funds	\$700,961
Less estimated income	<u>74,926</u>
Total general fund appropriation	\$626,035

**SECTION 2. LEGISLATIVE INTENT - LINE ITEM TRANSFER FOR EQUIPMENT PURCHASE.** It is the intent of the fifty-fifth legislative assembly that the labor commissioner utilize available funds within the 1997-99 appropriation for the purchase of a new printer. The emergency commission may authorize the transfer of funds between lines, if requested by the labor commissioner, for the purchase of a new printer.

**SECTION 3. AMENDMENT.** Section 34-05-01.2 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**34-05-01.2. (For effective date, see Note) Department of labor to be administered by commissioner of labor.** The department of labor must be administered by a commissioner of labor who must be elected for a four-year term on a no-party ballot in the year 1966 and every four years thereafter in the same manner as provided for no-party candidates pursuant to title 16.1. The term of the commissioner of labor commences on the same day following the commissioner's election as the terms for other elected state officials. The commissioner of labor shall possess the same qualifications for office as the commissioner of agriculture. The annual salary of the commissioner of labor is ~~fifty-two~~ fifty-four thousand ~~two~~ nine hundred ~~ninety-seven~~ forty-eight dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-six thousand ~~three~~ five hundred ~~forty-three~~ ninety-two dollars thereafter.

**(For effective date, see Note) Labor commissioner to administer department of labor.** Beginning January 1, 1999, the governor shall appoint a labor commissioner to administer the department of labor. The labor commissioner shall serve at the pleasure of the governor.

Approved April 9, 1997

Filed April 10, 1997

## CHAPTER 8

### HOUSE BILL NO. 1008

(Appropriations Committee)  
(At the request of the Governor)

### PUBLIC SERVICE COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the public service commission; and to amend and reenact sections 49-01-05 and 60-02-07 of the North Dakota Century Code, relating to the salary of public service commissioners and public warehouse licenses.

#### 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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$4,315,991
Operating expenses	1,068,765
Equipment	58,711
Grants	6,000
AML contractual services	<u>3,668,492</u>
Total all funds	\$9,117,959
Less estimated income	<u>5,781,190</u>
Total general fund appropriation	\$3,336,769

**SECTION 2. AMENDMENT.** Section 49-01-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**49-01-05. Salary of commissioners.** The annual salary of a commissioner is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter. All fees received or charged by any ~~such~~ commissioner for any act or service rendered in any official capacity, ~~shall~~ must be accounted for and paid over by the commissioner monthly to the state treasurer and ~~shall~~ must be credited to the general fund of the state.

**SECTION 3. AMENDMENT.** Section 60-02-07 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-07. Public warehouse license - How obtained - Fee.** An annual license must be obtained from the commission for each public warehouse in operation in this state. The license expires on July thirty-first of each year. No license may describe more than one public warehouse nor grant permission to operate any public warehouse other than the one described. The annual license fee for a public warehouse is ~~one~~ two hundred fifty dollars for a warehouse of a bushel capacity of two hundred thousand [7047.8 cubic meters] or less, ~~three~~ four hundred dollars for a

warehouse of a bushel capacity of more than two hundred thousand and one to and including not more than five hundred thousand [~~7047.83~~ 7047.8 to and including not more than 17619.54 cubic meters], and ~~four~~ five hundred dollars for a warehouse of a bushel capacity of more than five hundred thousand and one [~~17619.57~~ 17619.54 cubic meters] ~~or more~~. If a public warehouseman operates two or more warehouses in the same city or siding, in conjunction with each other and with the same working force, and ~~where~~ but keeps one set of books and records ~~is kept~~ for all such warehouses, and issues one series of scale tickets, warehouse receipts, checks, and credit-sale contracts ~~of but one series are issued~~ for the grain stored and purchased therein, only one license is required for the operation of all such warehouses. Where two or more warehouses are operated under one license, the license fee is based upon the combined bushel capacity of the warehouses. If the commission employs fewer than two full-time equivalent warehouse inspectors, each annual fee under this section is reduced by one hundred dollars.

Approved April 10, 1997  
Filed April 10, 1997

## CHAPTER 9

### HOUSE BILL NO. 1009

(Appropriations Committee)  
(At the request of the Governor)

### AGRICULTURE COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide a statement of legislative intent; and to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner.

**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 hereby 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 commissioner of agriculture for the purpose of defraying the expenses of the commissioner of agriculture for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$3,023,812
Operating expenses	1,097,886
Equipment	32,900
Grants	561,700
Board of animal health	454,199
Ag mediation	1,377,537
Ag in the classroom	25,000
Anhydrous ammonia storage	20,444
Waterbank program	214,000
Pride of Dakota	150,000
Animal damage control	779,694
Safe send	552,133
Noxious weeds	959,529
Total all funds	<u>\$9,248,834</u>
Less estimated income	<u>4,658,594</u>
Total general fund appropriation	\$4,590,240

**SECTION 2. ESTIMATED INCOME - FIRE AND TORNADO FUND.**

The estimated income line item in section 1 of this Act includes the sum of \$20,444, or so much of the sum as may be necessary, from the state fire and tornado fund for the purpose of defraying the expenses of the anhydrous ammonia storage program.

**SECTION 3. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$1,491,902, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of the pesticide regulation, pesticide disposal, pesticide registration, and noxious weeds programs, of which \$90,890 is for the pesticide regulation program, \$552,133 is for the pesticide disposal program, \$66,000 is for the pesticide registration program, and \$782,879 is for the noxious weeds program.

**SECTION 4. TRANSFER.** The office of management and budget shall transfer \$100,000 from the environment and rangeland protection fund to the minor use pesticide fund, for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the board of animal health contract for veterinary services whenever appropriate and cost-effective for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. AMENDMENT.** Section 4-01-21 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-01-21. Salary of commissioner of agriculture.** The annual salary of the commissioner of agriculture is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred ~~eighty-seven~~ sixty-four dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved April 11, 1997

Filed April 11, 1997

**CHAPTER 10****HOUSE BILL NO. 1010**

(Appropriations Committee)  
(At the request of the Governor)

**INSURANCE COMMISSIONER**

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the salary of the insurance commissioner.

**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 hereby appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, and from other special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$4,045,813
Operating expenses	1,228,289
Equipment	40,445
Total special funds appropriation	<u>\$5,314,547</u>

**SECTION 2. APPROPRIATION - INSURANCE TAX PAYMENTS TO FIRE DEPARTMENTS.** There is hereby appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$5,200,000, or so much of the sum as may be necessary, to the commissioner of insurance for the purpose of making payments of insurance premiums to fire departments for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. BONDING FUND.** Section 1 of this Act includes the sum of \$81,743, or so much of the sum as may be necessary, from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. FIRE AND TORNADO FUND.** Section 1 of this Act includes the sum of \$796,992, or so much of the sum as may be necessary, from the state fire and tornado fund to pay fire and tornado fund administrative expenses for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. UNSATISFIED JUDGMENT FUND.** Section 1 of this Act includes the sum of \$39,863, or so much of the sum as may be necessary, from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. PETROLEUM TANK RELEASE COMPENSATION FUND.** Section 1 of this Act includes the sum of \$200,490, or so much of the sum as may be necessary, from the petroleum tank release compensation fund to pay petroleum tank release compensation fund administrative expenses for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 7. APPROPRIATION - COMPUTER SYSTEM PROJECT.**

There is hereby appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$275,000, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of completing the insurance department's computer network project, for the biennium beginning July 1, 1997, and ending June 30, 1999. The insurance commissioner may not spend more than \$499,000 in total, for the computer network project during the 1995-97 biennium and the 1997-99 biennium.

**SECTION 8. LEGISLATIVE INTENT - BUDGET SECTION REPORT.**

It is the intent of the legislative assembly that the insurance commissioner utilize \$25,000 appropriated in section 1 of this Act to analyze during the biennium beginning July 1, 1997, and ending June 30, 1999, the amount of insurance payments to fire departments distributed to fire districts in fiscal years 1996, 1997, and 1998 and present a report to the budget section in December 1998 containing the commissioner's findings and the actions taken to stabilize the distribution of funds to each fire district.

**SECTION 9. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-01-09. Salary of commissioner.** The annual salary of the commissioner is ~~fifty-two~~ fifty-five thousand ~~seven~~ four hundred eighty-seven dollars through June 30, ~~1996~~ 1998, and ~~fifty-three~~ fifty-seven thousand ~~eight~~ one hundred ~~forty-three~~ twenty dollars thereafter.

Approved April 10, 1997  
Filed April 11, 1997

**CHAPTER 11****HOUSE BILL NO. 1011**

(Appropriations Committee)  
(At the request of the Governor)

**SECURITIES COMMISSIONER**

AN ACT to provide an appropriation for defraying the expenses of the office of the securities commissioner.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the securities commissioner for the purpose of defraying the expenses of the office of the securities commissioner, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$597,005
Operating expenses	68,474
Equipment	2,000
Total general fund appropriation	<u>\$667,479</u>

Approved April 3, 1997  
Filed April 3, 1997

## CHAPTER 12

### HOUSE BILL NO. 1012 (Appropriations Committee) (At the request of the Governor)

### HUMAN SERVICES

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriations between agencies and institutions; to create and enact section 50-06-14.4 of the North Dakota Century Code, relating to projects involving services for the alzheimer's and related dementia population; to provide an exemption from section 54-44.1-11 and to authorize the sale of certain buildings on the grounds of the state hospital to the department of corrections and rehabilitation; to amend and reenact sections 25-04-20, 50-06-14.3, and 50-24.1-02.2 of the North Dakota Century Code, to amend and reenact the new section to chapter 23-09.3 as created by section 2 of chapter 254 of the 1995 Session Laws and the new section to chapter 23-16 to the North Dakota Century Code as created by section 3 of chapter 254 of the 1995 Session Laws, and to amend and reenact section 4 of chapter 561 of the 1991 Session Laws as amended by section 18 of chapter 2 of the 1993 Session Laws and by section 9 of chapter 34 of the 1995 Session Laws, relating to the westwood park assets management committee, human service center directors, state basic care program, a moratorium on long-term care bed capacity, and community resource allowance; to repeal section 15 of House Bill No. 1041 as enacted by the fifty-fifth legislative assembly; to provide for a legislative council study and reports to the budget section; to provide an effective date; to provide an expiration date; 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 hereby 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 department of human services and its various divisions, for the purpose of defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### MANAGEMENT AND COUNCILS

Salaries and wages	\$	8,851,202
Operating expenses		13,214,066
Equipment		87,939
Grants		715,477
Loan fund - DD		1,840,956
Total all funds	\$	24,709,640
Less estimated income		14,208,075
Total general fund appropriation	\$	10,501,565

#### Subdivision 2.

##### ECONOMIC ASSISTANCE

Salaries and wages	\$	8,841,828
Operating expenses		29,027,234

Equipment	52,736
Capital improvements	2,543
Welfare reform contingency	159,800
Grants - assistance payments	175,180,115
Grants - medical assistance	611,485,197
Total all funds	\$ 824,749,453
Less estimated income	631,892,967
Total general fund appropriation	\$ 92,856,486

## Subdivision 3.

## PROGRAM AND POLICY

Salaries and wages	\$ 9,528,238
Operating expenses	13,589,797
Equipment	332,545
Capital improvements	1,619
Grants	101,104,517
Total all funds	\$ 124,556,716
Less estimated income	88,336,347
Total general fund appropriation	\$ 36,220,369

## Subdivision 4.

## NORTHWEST HUMAN SERVICE CENTER

Total all funds	\$ 7,753,411
Less estimated income	3,801,225
Total general fund appropriation	\$ 3,952,186

## NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$ 12,567,842
Less estimated income	6,512,482
Total general fund appropriation	\$ 6,055,360

## LAKE REGION HUMAN SERVICE CENTER

Total all funds	\$ 7,218,639
Less estimated income	3,202,436
Total general fund appropriation	\$ 4,016,203

## NORTHEAST HUMAN SERVICE CENTER

Total all funds	\$ 15,851,751
Less estimated income	8,531,389
Total general fund appropriation	\$ 7,320,362

## SOUTHEAST HUMAN SERVICE CENTER

Total all funds	\$ 16,744,297
Less estimated income	9,865,116
Total general fund appropriation	\$ 6,879,181

## SOUTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$ 9,347,902
Less estimated income	4,421,354
Total general fund appropriation	\$ 4,926,548

## WEST CENTRAL HUMAN SERVICE CENTER

Total all funds	\$ 14,984,354
Less estimated income	7,981,184
Total general fund appropriation	\$ 7,003,170

## BADLANDS HUMAN SERVICE CENTER

Total all funds	\$ 8,118,947
Less estimated income	<u>3,837,857</u>
Total general fund appropriation	\$ 4,281,090

## STATE HOSPITAL

Operations	\$ 54,618,607
Capital improvements	<u>1,901,400</u>
Total all funds	\$ 56,520,007
Less estimated income	<u>18,626,024</u>
Total general fund appropriation	\$ 37,893,983

## DEVELOPMENTAL CENTER

Operations	\$ 39,233,420
Capital improvements	<u>262,000</u>
Total all funds	\$ 39,495,420
Less estimated income	<u>30,158,522</u>
Total general fund appropriation	\$ 9,336,898
Total all funds - subdivision 4	\$ 188,602,570
Total estimated income - subdivision 4	\$ 96,937,589
Total general fund appropriation - subdivision 4	\$ 91,664,981

## Subdivision 5.

## COMPUTER TECHNOLOGY APPROPRIATION

Total all funds	\$ 6,816,809
Less estimated income	<u>3,312,646</u>
Total general fund appropriation	\$ 3,504,163
Grand total general fund appropriation H.B. 1012	\$ 334,747,564
Grand total special fund appropriation H.B. 1012	\$ 834,887,624
Grand total all funds H.B. 1012	\$1,169,635,188

**SECTION 2. LANDS AND MINERALS TRUST FUND.** The amount of \$1,840,956, or so much of the sum as may be necessary, as appropriated in the developmentally disabled facility loan fund line item in section 1 of this Act, may be expended by the department of human services from the lands and minerals trust fund for the purpose of making payments of principal and interest to the common schools trust fund on any loans made from it pursuant to the developmentally disabled loan fund program nos. 2 and 3 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND.** There may be expended by the department of human services, on or before June 1, 1999, from the cash balance of, and any payments deposited in, the revolving loan fund created under section 6-09.6-01, the sum of \$1,183,748, or so much of the sum as may be necessary, which is appropriated in section 1 of this Act.

**SECTION 4. TRANSFER.** Subject to the provisions of chapter 54-16, the director of the department of human services may transfer appropriation authority between agencies and institutions included in subdivisions 1 through 5 of section 1 of this Act.

**SECTION 5. CORRELATION OF RESOURCES FOR DEPARTMENTAL CLIENTS.** Notwithstanding section 4 of this Act, the director of the department of human services may transfer appropriation authority and authorized positions between agencies and institutions included within subdivision 4 of section 1 of this Act to correlate fiscal and staff resources with the flow of

institutional residents and human service center clients between community-based programs and institutions. The transfers from human service centers require prior consultation with the regional human service center advisory boards. To the extent permitted by law, the department of human services shall structure the financing arrangements between the state and counties so as to relieve county social service boards of fiscal responsibility for grants to and for recipients in the temporary assistance for needy families program in exchange for increased county responsibility for financing the local cost of administering the program.

**SECTION 6. LEGISLATIVE INTENT - HUMAN SERVICE CENTER AND INSTITUTIONAL SERVICES.** It is the intent of the legislative assembly that while the legislative assembly is allowing the human service centers and institutions more funding flexibility during the 1997-99 biennium, the human service centers and institutions are expected to:

1. Continue to utilize standards, guidelines, practices, and core services in effect on March 1, 1997, for providing human services pursuant to subsection 2 of section 50-06-05.3.
2. Continue to strive toward improving the quality of services and monitor and strive to achieve successful client outcomes.
3. Maximize available federal or other funds to provide services and for service enhancements in consultation with the central office.
4. Utilize innovative and effective methods of service delivery in order to achieve cost savings or to enhance the level of services provided to clients.

Human service centers are to provide appropriate community services to continue the trend of fewer state hospital and developmental center admissions to serve clients, to the extent possible, in a least restrictive environment.

**SECTION 7. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT EMPLOYEES - REPORTS TO THE BUDGET SECTION AND THE LEGISLATIVE COUNCIL.** It is the intent of the legislative assembly that the human service centers, the state hospital, and the developmental center report to the budget section and the legislative council, or its designee, on the hiring of any additional full-time equivalent positions in addition to those authorized by the legislative assembly during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 8. HUMAN SERVICE CENTER SERVICE COSTS - REIMBURSEMENT SYSTEM.** Each regional human service center shall report its services provided during the biennium beginning July 1, 1997, and ending June 30, 1999, on a cost per service basis in a form designated by the executive director of the department of human services. The department shall analyze the data collected and develop, for the 1999-2001 biennium, a standardized reimbursement system for the human service centers based on service costs and any supplemental payment costs to be incorporated into the department's 1999-2001 biennium budget request.

**SECTION 9. BUDGET SECTION APPROVAL.** The welfare reform contingency may only be spent with prior budget section approval.

<sup>2</sup> **SECTION 10. AMENDMENT.** Section 25-04-20 of the North Dakota Century Code is amended and reenacted as follows:

**25-04-20. Westwood park assets management committee.** The westwood park assets management committee consists of eleven members appointed by the governor as follows: three members of the senate, two from the majority faction and one from the minority faction, and three members of the house of representatives, two from the majority faction and one from the minority faction; a representative of the department of human services; a representative of the department of economic development and finance; a representative of the attorney general's office; the mayor of Grafton; and the governor or the governor's designee. ~~The officers of the westwood park assets management committee must be elected annually. The~~ governor shall appoint a chairman. Any state agency may serve in an advisory capacity to the westwood park assets management committee at the discretion of the committee. The committee shall meet at ~~least twice each year and at other such~~ times as the committee or its chairman may direct. The legislative members of the committee are entitled to receive the same compensation per day as provided in section 54-35-10 for members of the legislative council and the necessary mileage and travel expenses provided in sections 44-08-04 and 54-06-09 while attending committee meetings or in the performance of such special duties as the committee may direct. The compensation provided for in this section may not be paid to any member of the committee who received salary or other compensation as a regular employee of the state, or any of its political subdivisions, or any institution or industry operated by the state. The westwood park assets management committee shall act when the legislative assembly is not in session to sell; lease; ~~and otherwise manage~~ the property of westwood park, subject to prior budget section approval. The department of human services shall provide staff services for the westwood park assets committee. Any conveyance made by the committee under this section is exempt from sections 54-01-05.2 and 54-01-05.5.

**SECTION 11. AMENDMENT.** Section 50-06-14.3 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**50-06-14.3. Department of human services to develop basic care facility ratesetting methodology.** The department of human services shall develop a ratesetting methodology that provides for rates for all residents of basic care facilities that receive payments from the state or any political subdivision. The methodology may not provide for different rates for similarly situated residents because of the source of payment for any resident's care. The department shall consult with representatives of the basic care industry in this state in developing the ratesetting methodology. Beginning July 1, ~~1997~~ 1999, the department shall establish rates for all residents of basic care facilities that receive payments from the state or any political subdivision in accordance with the ratesetting methodology developed by the department. After June 30, ~~1997~~ 1999, no agency of the state or any political subdivision may make payments to a basic care facility that does not set rates at the levels established by the department.

**SECTION 12.** Section 50-06-14.4 of the North Dakota Century Code is created and enacted as follows:

---

<sup>2</sup> Section 25-04-20 was also amended by section 17 of Senate Bill No. 2052, chapter 432.

**50-06-14.4. Alzheimer's and related dementia projects.** The department of human services shall establish projects designed to meet the service needs of the alzheimer's and related dementia population. The projects established under this section must explore the financial and service viability of converting existing nursing facility or basic care capacity to a specific service environment that targets the alzheimer's and related dementia population. The state department of health shall cooperate with the department to ensure the success of the projects. The projects may be established notwithstanding subsections 2, 5, 10, and 11 and subdivision c of subsection 9 of section 50-24.5-01, relating to definitions for aid to aged, blind, and disabled persons, and subsection 1 of section 23-09.3-01, relating to the definition of a basic care facility.

**SECTION 13. AMENDMENT.** Section 50-24.1-02.2 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-02.2. Community spouse resource allowance.** In determining eligibility for medical assistance applicants and recipients, the department of human services shall establish a community spouse resource allowance equal to the maximum community spouse resource allowance as provided by 42 U.S.C. 1396r-5(f)(2). This section applies to a community spouse of an institutionalized spouse. For purposes of this section, "institutionalized spouse" includes an individual who is described in 42 U.S.C. 1396a(a)(10)(A)(ii)(VI).

**SECTION 14. AMENDMENT.** The new section to chapter 23-09.3 of the North Dakota Century Code as created by section 2 of chapter 254 of the 1995 Session Laws is amended and reenacted as follows:

**Moratorium on expansion of basic care bed capacity.** ~~During the period after July 31, 1995, and before August 4, 1997,~~ Except when existing beds are converted for use by the alzheimer's and related dementia population under the projects provided for in section 50-06-14.4, the state department of health ~~and consolidated laboratories~~ may not issue a license under this chapter for any additional bed capacity ~~unless the expanded bed capacity was approved by the health council under chapter 23-17.2 before August 4, 1995~~ above the state's gross licensed capacity of one thousand four hundred seventy-one beds, adjusted by any reduction in beds before July 31, 1997, during the period between August 1, 1997, and July 31, 1999. Transfers of existing beds from one municipality to another municipality must be approved if the department of health licensing requirements are met, during the period August 1, 1997, to July 31, 1999, only to the extent that for each bed transfer approved the total number of licensed beds in the state is reduced by the same number transferred.

**SECTION 15. AMENDMENT.** The new section to chapter 23-16 of the North Dakota Century Code as created by section 3 of chapter 254 of the 1995 Session Laws is amended and reenacted as follows:

**Moratorium on expansion of long-term care bed capacity.** Notwithstanding sections 23-16-06 and 23-16-10, ~~during the period after July 31, 1995, and before August 4, 1997~~ except when existing beds are converted for use by the alzheimer's and related dementia population under the projects provided for in section 50-06-14.4, the state department of health ~~and consolidated laboratories~~ may not issue a license for any additional bed capacity ~~unless the expanded bed capacity was approved by the health council under chapter 23-17.2 before August 4, 1995~~ above the state's gross licensed capacity of seven thousand one hundred forty beds, adjusted by any reduction in beds before July 31, 1997, during the period between

August 1, 1997, and July 31, 1999. Transfers of existing beds from one municipality to another municipality must be approved if the department of health licensing requirements are met, during the period August 1, 1997, to July 31, 1999, only to the extent that for each bed transfer approved the total number of licensed beds in the state is reduced by the same number transferred. Certificate of need projects approved by the state health council before July 31, 1995, and not completed as of August 1, 1997, are considered to be within the state's licensed long-term care bed capacity as authorized by this section and may be completed. For long-term care bed transfers to be made within the state before the application of the one-for-one provisions in this section, the proposals for the transfer must have occurred and been discussed with the department of health before April 1, 1997, and confirmed with contracts executed between the parties to the transfer, and filed with the department of health before June 1, 1997, providing for the bed transfers to be completed by January 1, 1998, and not exceeding the state's licensed long-term bed capacity as authorized by this section.

**SECTION 16. AMENDMENT.** Section 4 of chapter 561 of the 1991 Session Laws as amended by section 18 of chapter 2 of the 1993 Session Laws and by section 9 of chapter 34 of the 1995 Session Laws is amended and reenacted as follows:

**SECTION 4. PROCEEDS - APPROPRIATION.** The proceeds from the sale of land, property, and equipment at westwood park must be deposited in the lands and minerals trust fund. There is hereby appropriated \$200,000, or so much thereof as may be necessary, from the lands and minerals trust fund, to the department of human services for capital improvements or demolition of existing buildings at westwood park for the period beginning July 1, 1991, and ending June 30, ~~1997~~ 1999.

**SECTION 17. TRANSFER OF LAND AUTHORIZED.**

1. The department of human services may sell to the department of corrections and rehabilitation the forensic unit building, the ET building and adjacent gymnasium, and surrounding real property.
2. The authorized sale is exempt from sections 54-01-05.2 and 54-01-05.5.

**SECTION 18. EXEMPTION FROM BIDDING REQUIREMENTS.** Notwithstanding any other provision of law relating to public contracts or bidding requirements, the department of human services may contract and expend funds for the renovation of the state hospital to accommodate patients as a result of any sale of the property described in section 17 of this Act.

**SECTION 19. COMPUTER DEVELOPMENT COSTS - BUDGET SECTION APPROVAL.** The appropriation in subdivision 5 contains funding for the following computer development projects:

PROJECT	GENERAL FUND	OTHER FUNDS	TOTAL
TEEM - release 3	\$ 899,607	\$ 473,037	\$1,372,644
RESPOND - release 3	260,583	137,021	397,604
State hospital	1,800,000		1,800,000
Medical - TANF	379,307	2,537,922	2,917,229
Child care	<u>164,666</u>	<u>164,666</u>	<u>329,332</u>
Total	\$3,504,163	\$3,312,646	\$6,816,809

The department of human services shall receive prior budget section approval before exceeding the costs for the named projects. If savings are projected for the computer projects, the department of human services may request budget section approval to start other projects with projected savings. The department, as it develops the reforming and enhancing services for the people of North Dakota (RESPOND) computer system, shall periodically report to the budget section of the legislative council during the 1997-99 biennium on the status of the development of the system, system costs and benefits, and the receipt of the matching federal funds. Except as may be waived by approval of the budget section, the department may not spend general fund appropriations made by the fifty-fifth legislative assembly for the RESPOND computer system unless approval for the cost allocation plan for the receipt of matching federal funds in the amounts not less than eighty-five percent of the amounts estimated during the fifty-fifth legislative assembly has been received from the appropriate federal agency.

Except as may be waived by approval of the budget section of the legislative council, the department of human services shall meet the requirements provided by the administration for children and families of the United States department of health and human services in its communication dated February 12, 1997, related to the state's development of the reforming and enhancing services for the people of North Dakota (RESPOND) and training, education, employment, and management (TEEM) project. The requirements include information regarding client eligibility and expert system rules, cost benefit analysis for the TEEM and RESPOND projects, and a revised budget for the TEEM and RESPOND projects.

**SECTION 20. LEGISLATIVE INTENT - COMPUTER DEVELOPMENT.**

It is the intent of the legislative assembly that the department of human services not enter into contracts for computer development that require the expenditure of funds in future bienniums without the prior approval of the legislative assembly.

**SECTION 21. LEGISLATIVE INTENT - CASE MANAGEMENT - PILOT PROJECTS.** It is the intent of the legislative assembly that the department of human services may establish pilot projects for expanded long-term care case management to assist functionally impaired adults in accessing necessary services to maintain the appropriate level of independence in the least restrictive setting at the lowest possible cost and that these pilot projects be financed within available department resources.

**SECTION 22. LEGISLATIVE INTENT - TRANSITIONAL SERVICES - DEVELOPMENTALLY DISABLED STUDENTS.** It is the intent of the legislative assembly that the disability services division of the department of human services, the office of special education of the department of public instruction, and local special education units explore opportunities for collaboration and shared funding in the provision of transition services to developmentally disabled students between the ages of eighteen and twenty-one.

**SECTION 23. LEGISLATIVE INTENT - WAGE INCREASES FOR LOW-INCOME DIRECT CONTACT STAFF OF COMMUNITY DEVELOPMENTAL DISABILITIES PROVIDER AGENCIES.** In addition to any wage increases for direct contact staff financed out of the annual inflationary adjustments contained in subdivision 2 of section 1 of this Act, it is the intent of the legislative assembly that community developmental disabilities provider agencies attempt to mitigate staff turnover during the 1997-99 biennium by augmenting the wages of low-income direct contact staff with \$4,695,337 appropriated within subdivision 2 of section 1 of this Act and allocated by the department of human services for such purpose.

**SECTION 24. LEGISLATIVE INTENT - WAGE INCREASES FOR CERTIFIED NURSE AIDE STAFF - NURSING HOME.** It is the intent of the legislative assembly that annual inflationary adjustments contained in subdivision 2 of section 1 of this Act for nursing home reimbursement be used by nursing homes to emphasize reducing certified nurse aide staff turnover by adjusting staff wages.

**SECTION 25. LEGISLATIVE INTENT - PILOT PROJECT FOR LOW-INCOME PARENTS PROVIDING SERVICES TO DEVELOPMENTALLY DISABLED ADULT CHILDREN - FEDERAL WAIVERS - BUDGET SECTION REPORTS.**

1. It is the intent of the legislative assembly that the department of human services seek appropriate federal waivers and establish a pilot program in one human service region to provide a subsidy on behalf of adult developmentally disabled children, age twenty-two and older, residing in the home of each adult child's parent or parents. The pilot program must:
  - a. Be limited to no more than five adult developmentally disabled children;
  - b. Provide subsidies substantially in the form of the family subsidy program;
  - c. Be limited to five hundred dollars per month per eligible adult developmentally disabled child; and
  - d. Be provided only on behalf of developmentally disabled adult children whose parent's income, not counting any form of means-tested public benefit, is no more than the federal poverty level applicable to a family of a size that includes the adult developmentally disabled child, that child's parent or parents, and minor children of that parent or those parents, living with the developmentally disabled adult child.
2. The pilot program required by this section must be based on policies developed and implemented without rulemaking that may be otherwise required under law.
3. The department shall study the provision of subsidies under this section and report on the status of available federal waivers and recommendations for the 1999-2001 biennium to the budget section of the legislative council.

**SECTION 26. EFFECTIVE DATE - EXPIRATION DATE.** Section 25 of this Act becomes effective on April 1, 1997, and is effective through June 30, 1999, and after that date is ineffective. Sections 14 and 15 are effective on August 1, 1997.

**SECTION 27. REPEAL.** If House Bill No. 1041 as enacted by the fifty-fifth legislative assembly becomes effective, section 15 of House Bill No. 1041 is repealed.

**SECTION 28. DEPARTMENT OF HUMAN SERVICES REPORTS TO BUDGET SECTION - HUMAN SERVICE CENTER, STATE HOSPITAL, AND DEVELOPMENTAL CENTER BLOCK GRANT ACCOUNTABILITY.** The department of human services shall report to the budget section of the legislative council by June 30, 1998, regarding human service center, state hospital, and

developmental center block grant accountability including information regarding employee turnover and vacancies, human service center budget status and cash flow, clinical services including persons served, changes in client demand for services, waiting lists, impact on deinstitutionalization, and external purchase of services, regional needs assessment and planning, and development of an evaluation and outcome report.

**SECTION 29. LEGISLATIVE INTENT - TRAUMATIC BRAIN INJURY PROGRAM ESTABLISHMENT - DEVELOPMENTAL CENTER.**

Notwithstanding section 15 of this Act, it is the intent of the legislative assembly that the developmental center be allowed to establish a traumatic brain injury program, subject to emergency commission and budget section approval, including up to twenty full-time equivalent employees, if the program can be established at the same or at a reduced cost and funded from other departmental and third-party resources.

**SECTION 30. REPORTS TO BUDGET SECTION - WELFARE FRAUD - COST-EFFECTIVENESS.** The department of human services shall periodically report to the budget section regarding the welfare fraud detection programs including reports on cost-effectiveness and avoidance, during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 31. LEGISLATIVE COUNCIL STUDY - WELFARE REFORM IMPLEMENTATION - DEPARTMENT OF HUMAN SERVICES REPORTING.** The legislative council shall consider studying the monitoring of North Dakota's welfare reform implementation efforts to determine the effectiveness of welfare reform during the 1997-98 interim. The department of human services and persons or parties conducting the review shall periodically report to the legislative council, or its designee, regarding the evaluation of welfare reform during the 1997-98 interim.

**SECTION 32. LEGISLATIVE COUNCIL STUDY - BASIC CARE RATE EQUALIZATION.** The legislative council shall consider studying basic care rate equalization, including the cost impacts to the state and private pay residents during the 1997-98 interim.

**SECTION 33. LEGISLATIVE INTENT - OPERATING MARGIN - BASIC CARE RATES.** It is the intent of the legislative assembly that the rates set for basic care facilities under subsection 3 of section 50-24.5-02 during the 1997-99 biennium include an operating margin at a total cost of \$104,690, or so much thereof as may be necessary, appropriated within subdivision 2 of section 1 of this Act. The operating margin must be based on two percent of actual direct care costs and a limit rate set to produce such results.

**SECTION 34. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER BLOCK GRANTS.** If the legislative council studies the department of human services pursuant to Senate Concurrent Resolution No. 3042, approved by the fifty-fifth legislative assembly, during the 1997-98 interim, the study should review the block grant method of appropriating funds to regional human service centers, including incentives, accountability, and budgeting processes.

**SECTION 35. LEGISLATIVE INTENT - CHILD SUPPORT EMPLOYEES.** It is the intent of the legislative assembly that the eleven full-time equivalent child support positions added by the fifty-fifth legislative assembly for the department of human services are authorized only for the biennium beginning July 1, 1997, and ending June 30, 1999, and that if the department requests the full-time equivalent authorization and related funding for any of these positions for

the 1999-2001 biennium, the request must be specifically identified as a budget change in the department's 1999-2001 biennium budget request.

**SECTION 36. EMERGENCY.** The appropriation contained in subdivision 4 of section 1 of this Act for the state hospital includes \$1,295,000 of other funds for remodeling of state hospital buildings to accommodate the relocation of patients from buildings to be sold to the department of corrections and rehabilitation, which is declared to be an emergency measure and those funds are available immediately upon filing of this Act with the secretary of state. Sections 12, 17, 18, and 25 of this Act are declared to be an emergency measure.

Approved April 14, 1997

Filed April 14, 1997

## CHAPTER 13

### HOUSE BILL NO. 1013

(Appropriations Committee)  
(At the request of the Governor)

### PUBLIC INSTRUCTION

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to create and enact two new sections to chapter 15-34.1 of the North Dakota Century Code, relating to home schooling for children with autism; to amend and reenact sections 15-21-02, 25-01-03, 54-24-01, and subsection 3 of section 54-44.3-20 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and to the classified status of the superintendent of the school for the blind, the superintendent of the school for the deaf, and the state librarian; and to provide an expiration date.

#### 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 hereby 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 department of public instruction, the school for the deaf, the school for the blind, and the state library for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$ 10,872,941
Operating expenses	8,704,612
Equipment	768,920
Grants - foundation aid and transportation	466,356,259
Grants - revenue supplement payments	3,100,000
Grants - tuition apportionment	49,273,144
Grants - special education	40,550,000
Grants - goals 2000	2,600,000
Grants - other grants	123,940,847
Grants - technology reimbursement payments	5,000,000
Grants - SENDIT	876,000
Grants - geographic education	50,000
Total all funds	<u>\$712,092,723</u>
Less estimated income	<u>187,229,971</u>
Total general fund appropriation	<u>\$524,862,752</u>

#### Subdivision 2.

##### STATE LIBRARY

Salaries and wages	\$ 1,958,201
Operating expenses	1,041,033
Equipment	22,500
Grants	1,135,521
Total all funds	<u>\$ 4,157,255</u>

Less estimated income	1,355,562
Total general fund appropriation	\$ 2,801,693

## Subdivision 3.

## SCHOOL FOR THE DEAF

Salaries and wages	\$ 4,064,385
Operating expenses	913,958
Equipment	100,000
Capital improvements	25,000
Total all funds	\$ 5,103,343
Less estimated income	531,878
Total general fund appropriation	\$ 4,571,465

## Subdivision 4.

## SCHOOL FOR THE BLIND

Salaries and wages	\$ 2,177,856
Operating expenses	652,154
Equipment	81,900
Capital improvements	394,075
Total all funds	\$ 3,305,985
Less estimated income	957,067
Total general fund appropriation	\$ 2,348,918
Grand total general fund appropriation H.B. 1013	\$534,584,828
Grand total special funds appropriation H.B. 1013	\$190,074,478
Grand total all funds appropriation H.B. 1013	\$724,659,306

**SECTION 2. LEGISLATIVE INTENT - TUITION APPORTIONMENT.**

It is the intent of the legislative assembly that the sum of \$49,273,144, or such greater or lesser sums as become available, included in the grants-tuition apportionment and estimated income line items in subdivision 1 of section 1 of this Act, be distributed by the office of management and budget out of any moneys in the state tuition fund in the state treasury to the public schools of this state as provided in section 2 of article IX of the Constitution of North Dakota and chapter 15-44 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. LEGISLATIVE INTENT - EXPENDITURE AUTHORITY.**

The superintendent of public instruction may expend funds appropriated in the foundation aid and transportation and special education grants line items in subdivision 1 of section 1 of this Act in payment of grants for education services that were due in the 1995-97 biennium but which were not filed, claimed, or properly supported by the education provider in question until after June 30, 1997.

**SECTION 4. LEGISLATIVE INTENT - DISTRIBUTION OF SPECIAL EDUCATION AID.** It is the intent of the legislative assembly that the amount included in the grants - special education line item in subdivision 1 of section 1 of this Act be distributed as follows:

1. Ten million dollars to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities as required in sections 15-40.2-08, 15-59-06, and 15-59-07, and for boarding care reimbursements as required in section 15-59-07.2.
2. Four hundred thousand dollars to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public

instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.

3. Any amount remaining in the line item must be distributed on a per student basis as required by section 15-40.1-07.6, except that during each of the school years of the biennium a school district or special education unit may not receive less than ninety percent of the amount received during the 1993-94 school year from state special education funds, excluding reimbursements for student contracts, boarding care, and gifted and talented programs. State special education payments distributed as required by section 15-40.1-07.6 must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the district or unit.

**SECTION 5. LEGISLATIVE INTENT - GRANTS FOR SENDIT.** It is the intent of the fifty-fifth legislative assembly that the funds appropriated in subdivision 1 of section 1 of this Act for grants to the SENDIT network be distributed by the educational telecommunications council to support the electronic connectivity and networking of schools through the SENDIT network.

**SECTION 6. LEGISLATIVE INTENT - TECHNOLOGY REIMBURSEMENT PAYMENTS.** It is the intent of the fifty-fifth legislative assembly that the funds appropriated in subdivision 1 of section 1 of this Act for technology reimbursement payments be used for reimbursing school districts for technology-related expenditures. The educational telecommunications council shall determine the maximum amount to which each school district is entitled by dividing the number of elementary and secondary students in average daily membership in this state into the funds appropriated in subdivision 1 of section 1 of this Act for technology reimbursement payments and then multiplying the result by the number of students in average daily membership in each district. Upon receiving substantiating documentation from a school district indicating the expenditure of funds on or after July 1, 1996, for the acquisition of computer technology for student uses or instructional purposes, interactive television, or teacher inservice programs related to the use of computer technology in classroom instruction, the educational telecommunications council shall provide reimbursement to the school district in an amount equal to that expended but not exceeding that to which the school district is entitled.

**SECTION 7. LEGISLATIVE INTENT - MEAT IN SCHOOL LUNCH PROGRAMS.** It is the intent of the fifty-fifth legislative assembly that the superintendent of public instruction encourage school boards operating or providing for the operation of child nutrition and food distribution programs in schools to not offer yogurt as a substitute for meat in school lunches served to students.

**SECTION 8. LEGISLATIVE INTENT - DIVISION OF INDEPENDENT STUDY TUITION RATES.** It is the intent of the fifty-fifth legislative assembly that during the 1997-99 biennium, the division of independent study review the tuition rates charged for resident and nonresident students enrolled in independent study courses and consider increasing the tuition rate charged nonresident students.

**SECTION 9. LEGISLATIVE INTENT - POSITION TRANSFERS.** It is the intent of the fifty-fifth legislative assembly that for the 1997-99 biennium, the

department of public instruction be authorized to have no more than 135.45 full-time equivalent positions and that no more than 39.2 of these positions be in the division of independent study. It is the intent of the fifty-fifth legislative assembly that if, during the 1997-99 biennium, the superintendent of public instruction transfers any positions to the division of independent study from other divisions of the department of public instruction, the transfers be reported to the budget section of the legislative council at its next meeting.

**SECTION 10. LEGISLATIVE INTENT - GRANT TO LEADERSHIP IN EDUCATION ADMINISTRATION CONSORTIUM - REPORT TO LEGISLATIVE COUNCIL COMMITTEE.** It is the intent of the fifty-fifth legislative assembly that \$25,000 of the amount appropriated in the grants - other grants line item in subdivision 1 of section 1 of this Act be used to provide a grant to the leadership in education administration consortium to develop training programs in cooperation with teacher learning centers. It is the intent of the fifty-fifth legislative assembly that the leadership in education administration consortium and the teacher learning centers work cooperatively to develop training programs for teachers and education administrators. The leadership in education administration consortium shall present, no later than September 30, 1998, a report to the legislative council or its designated committee on training programs for teachers and education administrators developed in cooperation with the teacher learning centers.

**SECTION 11. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS.** Notwithstanding section 2 of Senate Bill No. 2029 as passed by the fifty-fifth legislative assembly, payments to school districts educating limited English proficient students, as provided by that bill, must be paid from up to \$300,000 of the amount appropriated in subdivision 1 of section 1 of this Act for grants - foundation aid and transportation.

**SECTION 12. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS.** The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1997, without first convening a meeting to include representatives of the council of educational leaders, the council for exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, including the scheduling and manner of implementation, associated costs, the applicability of the proposed changes, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, any representative present at the meeting objects in writing to the proposed change, the superintendent may not implement the change prior to July 1, 1999.

**SECTION 13. FEDERAL FUNDING FOR SPECIAL EDUCATION.** The legislative assembly urges Congress to fund the education of children with disabilities at the level authorized in the Education for All Handicapped Children Act of 1975. In that legislation, now known as the Individuals with Disabilities Education Act, Congress included a graduated formula for determining state entitlement and provided that for the fiscal year ending September 30, 1982, and for each fiscal year thereafter, the federal funding level was to be set at forty percent of the average per student expenditure in public elementary and secondary schools in the United States. Because the level of federal funding received by this state has never exceeded ten percent, this federal legislation constitutes an underfunded mandate. The secretary of state shall forward copies of this section to the secretary of the department of education, to the chairman of the senate labor and human resources committee, to the chairman of the house economic and educational opportunities committee, and to each member of the North Dakota congressional delegation.

**SECTION 14. GOALS 2000 - PARTICIPATION VOLUNTARY.** The school board of any school district may, on behalf of the district it represents, choose to participate or not to participate in Goals 2000 Educate America Act [Pub. L. 103-227; 108 Stat. 125; 20 U.S.C. 5801 et seq.]. Any school board that chooses to participate and directly or indirectly receives federal funds for its participation shall expend such funds in the manner it determines best meets the goal of educational enhancement in the school district, in accordance with the district's locally developed goals 2000 educational improvement application plan. The superintendent of public instruction may not impose any financial penalty or other sanction on a school or school district if the school board chooses, at any time, to terminate participation in goals 2000.

**SECTION 15. School-to-work - Student participation voluntary.** Before any elementary or secondary school student may participate in any course, program, or project offered under the auspices of the School-to-Work Opportunities Act of 1994, [Pub. L. 103-239; 108 Stat. 568; 20 U.S.C. 2394 et seq.], the student's school principal shall obtain the written consent of the student's parent or legal guardian. Participation by a student is voluntary and may not be deemed a condition of graduation. Neither school personnel, school district personnel, nor the superintendent of public instruction may impose any academic penalties or any other sanctions on a student for failure to participate. A student's participation in a course, program, or project offered under the auspices of the School-to-Work Opportunities Act of 1994 is subject to all state and federal child labor laws.

**SECTION 16. DISPLACED HOMEMAKER FUND.** The amount of \$250,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act is from the displaced homemaker fund for the purpose of providing services for displaced homemakers as provided in chapter 14-06.1 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 17. GRANTS.** The line item entitled grants in subdivision 2 of section 1 of this Act includes \$935,521 for aid to public libraries of which no more than one-half is to be expended during the fiscal year ending June 30, 1998.

**SECTION 18. FEES DEPOSITED IN OPERATING FUND.** Any moneys included in estimated income in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the school for the blind operating fund in the state treasury and must be spent subject to appropriation by the legislative assembly.

**SECTION 19. AMENDMENT.** Section 15-21-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-21-02. Salary and traveling expenses.** The annual salary of the superintendent of public instruction is ~~fifty-three~~ fifty-six thousand ~~eight~~ five hundred ~~forty-eight~~ sixty-eight dollars through June 30, ~~1996~~ 1998, and ~~fifty-four~~ fifty-eight thousand ~~nine~~ two hundred ~~twenty-five~~ seventy-two dollars thereafter. The superintendent is also entitled to reimbursement for expenses incurred in the discharge of official duties, such expenses to be paid monthly on a warrant prepared by the office of management and budget and signed by the state auditor, upon the filing of an itemized and verified statement of expenses.

**SECTION 20.** A new section to chapter 15-34.1 of the North Dakota Century Code is created and enacted as follows:

**Children with autism - Home school.** Notwithstanding any other law, a parent or legal guardian may provide home schooling to a developmentally disabled child with autism if:

1. The child has been determined to be autistic by a licensed psychologist;
2. The child's parent or legal guardian qualifies to provide home schooling under section 15-34.1-06;
3. The child's parent or legal guardian files with the superintendent of the child's school district of residence:
  - a. A notice that the child will be home schooled;
  - b. A copy of the child's diagnosis of autism prepared and attested to by a licensed psychologist; and
  - c. A description of the instructional plan to be followed during the school year, together with an attestation by a licensed psychologist and a North Dakota certified teacher that the instructional plan is appropriate for the child.

**SECTION 21.** A new section to chapter 15-34.1 of the North Dakota Century Code is created and enacted as follows:

**Children with autism - Home school - Progress reports.**

1. On or before November first, February first, and May first of each school year, a parent providing home schooling to an autistic child under section 20 of this Act shall file with the superintendent of the child's school district of residence progress reports prepared by a licensed psychologist, an occupational therapist, a speech pathologist, and a certified teacher. If at any time the licensed psychologist, the occupational therapist, the speech pathologist, and the certified teacher agree that adequate progress is not being made, they shall notify the superintendent of the child's school district of residence and request that the child be evaluated by a multidisciplinary team.
2. The superintendent of the child's school district of residence shall forward copies of all documentation required by this section to the superintendent of public instruction. The superintendent of public instruction shall provide a report and recommendations regarding the home schooling of developmentally disabled children with autism under this section and section 20 of this Act to the legislative council.

<sup>3</sup> **SECTION 22. AMENDMENT.** Section 25-01-03 of the North Dakota Century Code is amended and reenacted as follows:

**25-01-03. Supervising officer to appoint superintendent of institutions - Salaries - Removal.**

---

<sup>3</sup> Section 25-01-03 was also amended by section 1 of Senate Bill No. 2149, chapter 241.

1. The supervising officer shall appoint a superintendent for each of the institutions under its control, except for the state hospital, where the supervising officer shall appoint a superintendent and a medical director in consultation with a state hospital governing body.
2. The tenure of office of each superintendent is two years from the date of the superintendent's appointment, and the superintendent must possess qualifications required by this title. Any superintendent may be removed by the supervising officer for misconduct, neglect of duty, incompetency, or other proper cause showing the superintendent's inability or refusal properly to perform the duties of office, but a removal at a time other than a termination of the superintendent's two-year tenure may be had only after an opportunity is given to the person to be heard before a board consisting of the governor, attorney general, and supervising officer of the institution on preferred written charges. A removal when made, however, is final. This subsection does not apply to the superintendent of the school for the blind or the superintendent of the school for the deaf, whose positions are included in the classified service as provided in section 54-44.3-20.
3. The supervising officer shall fix the compensation of each superintendent within the limits prescribed in this title and within the appropriations made by the legislative assembly for compensation.

**SECTION 23. AMENDMENT.** Section 54-24-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-24-01. State library - State librarian appointed by the superintendent of public instruction.** The superintendent of public instruction shall appoint an executive officer to be known as the state librarian, who shall report to the superintendent and must receive a salary within the amount appropriated for salaries by the legislative assembly. The state librarian shall control the work and is the director of the state library. The position of state librarian is included in the classified service, as provided in section 54-44.3-20. The state library is an autonomous agency and retains a budget and staff separate from that of the superintendent of public instruction.

**SECTION 24. AMENDMENT.** Subsection 3 of section 54-44.3-20 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. Administrative heads of departments required by law, other than the superintendent of the school for the blind, the superintendent of the school for the deaf, and the state librarian.

**SECTION 25. EXPIRATION DATE.** Sections 20 and 21 of this Act are effective through June 30, 1999, and after that date are ineffective.

Approved April 14, 1997  
Filed April 14, 1997

## CHAPTER 14

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

### COMMITTEE ON PROTECTION AND ADVOCACY

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide for a legislative council study.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the committee on protection and advocacy for the purpose of defraying the expenses of protection and advocacy services, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Total all funds	\$2,107,834
Less estimated income	<u>1,410,787</u>
Total general fund appropriation	\$ 697,047

**SECTION 2. LEGISLATIVE COUNCIL STUDY - PROTECTION AND ADVOCACY EFFICIENCIES.** If the legislative council studies the merging of advocacy programs pursuant to Senate Concurrent Resolution No. 4038 during the 1997-98 interim, the study should include a review of the feasibility and potential savings of the protection and advocacy committee sharing office space or staff with other state agencies.

Approved April 11, 1997  
Filed April 11, 1997

## CHAPTER 15

### HOUSE BILL NO. 1015

(Appropriations Committee)  
(At the request of the Governor)

### OFFICE OF MANAGEMENT AND BUDGET

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation for defraying the expenses of the department of human services and the state auditor; to provide for various transfers and financial transactions; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide a statement of legislative intent relating to state employee compensation adjustments; to authorize transfer of various special funds to the general fund; to provide for mobile data terminals; to provide directives relating to 911 telephone services; to provide for program reductions if federal programs are terminated or reduced; to provide for a transfer from the North Dakota insurance reserve fund to the office of management and budget; to provide for a transfer from the information services division operating fund to the state general fund; to provide for legislative council studies of public employee health insurance benefits and telemedicine; to provide for a transfer from the budget stabilization fund to the Bank of North Dakota; to provide for transfers from the Bank of North Dakota to the state general fund; to provide for a transfer from the North Dakota mill and elevator association to the state general fund; to amend and reenact sections 26.1-23.1-05, 32-12.2-06, 54-27.2-02, and 54-40-01 of the North Dakota Century Code, relating to government self-insurance pool investments, the state risk management fund, the budget stabilization fund and the exercise of joint authority by North Dakota and South Dakota; to repeal section 5 of Senate Bill No. 2012 as approved by the 1997 legislative assembly, relating to street expenditures; to provide for application; to provide an expiration date; 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 hereby 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 various divisions under the supervision of the director of the office of management and budget for the purpose of defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

#### OFFICE OF MANAGEMENT AND BUDGET

Administration	\$ 3,366,327
Fiscal management	4,066,236
Facility management	8,340,852
Central personnel	1,126,728
Intergovernmental assistance	39,503,256
Risk management	1,094,360
Total all funds	\$57,497,759

Less estimated income	<u>42,246,762</u>
Total general fund appropriation	\$ 15,250,997

## Subdivision 2.

## INFORMATION SERVICES DIVISION

Information resource management	<u>\$ 45,326,741</u>
Total special funds appropriation	\$ 45,326,741

## Subdivision 3.

## CENTRAL SERVICES

Central services	<u>\$ 4,638,793</u>
Total all funds	\$ 4,638,793
Less estimated income	<u>4,240,786</u>
Total general fund appropriation	\$ 398,007

## Subdivision 4.

## STATE RADIO COMMUNICATIONS

Salaries and wages	\$ 2,347,426
Operating expenses	1,741,249
Equipment	<u>613,201</u>
Total all funds	\$ 4,701,876
Less estimated income	<u>586,610</u>
Total general fund appropriation	\$ 4,115,266
Grand total general fund appropriation	\$ 19,764,270
Grand total special funds appropriation	\$ 92,900,899
Grand total all funds appropriation	\$112,665,169

**SECTION 2. DEPARTMENT OF HUMAN SERVICES PERFORMANCE**

**AUDIT - APPROPRIATION.** The department of human services shall include, in any plans submitted to implement the federal temporary assistance for needy families (TANF) program, a request for or for the use of federal funds to be used for a performance audit of the state's implementation of welfare reform. If the additional federal funds become available for this purpose, the department of human services shall contract with the state auditor for the completion of the performance audit. The state auditor may employ up to three additional auditors for this purpose or may contract with an independent audit firm for the completion of the performance audit. There is hereby appropriated to the department of human services up to \$250,000 of federal funds for the biennium beginning July 1, 1997, and ending June 30, 1999, to be used to contract with the state auditor for the completion of a performance audit. There is hereby appropriated to the state auditor's office up to \$250,000 of federal funds for the biennium beginning July 1, 1997, and ending June 30, 1999, to be received from the department of human services for the completion of a performance audit of the department.

**SECTION 3. ADDITIONAL INCOME.** All income in excess of estimated income in the budget appropriated by the legislative assembly to the office of management and budget for the biennium beginning July 1, 1997, and ending June 30, 1999, must be deposited in the appropriate operating funds in the state treasury and may only be expended with the authorization of the emergency commission. Income exceeding \$50,000 must be approved by the budget section.

**SECTION 4. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the director of the office of management and budget may transfer between various line items in subdivisions 1, 2, and 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for

changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 5. CAPITOL BUILDING FUND.** The amount of \$605,850, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. EXEMPTION.** The fiscal management appropriation contained in subdivision 1 of section 1 of chapter 37 of the 1995 Session Laws is not subject to the provisions of section 54-44.1-11 for up to an amount of \$800,000 and any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 7. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is the intent of the fifty-fifth legislative assembly that 1997-99 compensation adjustments for permanent state employees are to be increases providing an average of three percent with a minimum of \$30 per month, beginning with the month of July 1997, to be paid in August 1997, and providing an average of three percent with a minimum of \$30 per month, beginning with the month of July 1998, to be paid in August 1998. Any increases greater than \$30 per month must be based on merit and equity.

Probationary employees and employees whose documented performance levels do not meet standards are not eligible for the general or additional increases.

During the biennium, no salary increase other than the \$30 per month in July 1997 and the \$30 per month in July 1998 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

It is the intent of the fifty-fifth legislative assembly that the workers compensation bureau receive its 1997-99 employee compensation adjustment in a lump sum amount of \$508,406 to provide pay raises based on merit and performance throughout the 1997-99 biennium.

**SECTION 8. INTENT.** Within the authority included in subdivision 1 of section 1 of this Act, are the following grants and special items:

Boys and girls clubworks	\$	53,000
State contingencies		500,000
State memberships and related expenses		307,500
Firemen's association		63,000
Unemployment insurance		2,000,000
Capitol grounds planning commission		25,000

**SECTION 9. TRANSFER.** During the biennium beginning July 1, 1997, and ending June 30, 1999, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

Lands and minerals trust fund	\$	5,500,000
State aid distribution fund		29,594,725

**SECTION 10. FIRE AND TORNADO FUND.** The amount of \$63,000, or so much of the amount as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the fire and tornado fund.

**SECTION 11. MOBILE DATA TERMINALS.** Of the amounts included in the operating and equipment line items in subdivision 4 of section 1 of this Act, \$266,180 and \$573,201, respectively, provide for radio tower upgrades for mobile data terminals. These funds may not be expended prior to the completion of the mobile data communications plan provided for in the highway patrol appropriation.

**SECTION 12. STATE RADIO - 911 SERVICES.** As required by section 18 of 1995 Senate Bill No. 2015, the fifty-fifth legislative assembly specifically provides state radio communications with the authority to expand its 911 services beyond the twenty-county limit set by the fifty-fourth legislative assembly. The authority to add Golden Valley and Divide counties to its 911 service begins with the effective date of this Act and ends on June 30, 1999. State radio communications is then limited to providing 911 services to the counties being served as of June 30, 1999.

**SECTION 13. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION.** If the federal government during the 1997-99 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

**SECTION 14. RISK MANAGEMENT.** The North Dakota insurance reserve fund shall transfer \$2,100,000 of surplus on July 1, 1997, and \$2,100,000 on July 1, 1998, to the office of management and budget. This transfer represents final settlement with the North Dakota insurance reserve fund for any claim by the state to any funds held by the North Dakota insurance reserve fund, except for contractual obligations pursuant to the terms of any memorandum of coverage issued by the North Dakota insurance reserve fund to a state agency.

The recovery of the \$4,200,000, together with current reserves in the risk management fund and the contributions required from agencies or other governmental units not receiving a specific appropriation and boards and commissions, are considered sufficient reserves for claims anticipated in the 1997-99 biennium.

**SECTION 15. TRANSFER.** The director of the office of management and budget shall transfer \$150,000, or an amount equal to the 1997-99 biennium costs relating to the information technology management division of the legislative council, whichever is less, from the information services operating fund to the general fund during the biennium beginning July 1, 1997, and ending June 30, 1999. The transfer

is to reimburse the general fund for costs relating to information technology research, planning, monitoring, reviewing, and auditing and for assistance provided to agencies by the information technology management division of the legislative council.

**SECTION 16. SALE OF HIGHWAY PATROL AIRPLANE.**

Notwithstanding any other provision of law, the North Dakota highway patrol may use within the limits of legislative appropriation the proceeds from the sale of one of its airplanes for the comprehensive public communications plan.

**SECTION 17. LEGISLATIVE INTENT - STATE EMPLOYEE SALARY**

**REPORT.** It is the intent of the fifty-fifth legislative assembly that during the 1997-98 interim the office of management and budget report to an interim legislative council committee on state employee compensation issues. The report should focus on compression problems, market comparisons, and other compensation issues to include the effects of all benefits, including health insurance, on the employment relationship. The report is to include detailed information on the impact of salary compression and estimates of the dollar amount to correct salary compression problems. In addition, the office of management and budget is also to develop and present a plan to compensate state employees in a fair and adequate manner.

**SECTION 18. LEGISLATIVE INTENT - STATE EMPLOYEE BENEFIT**

**SALARY REPORT.** It is the intent of the fifty-fifth legislative assembly that during the 1997-98 interim the office of management and budget and the public employees retirement system report to the legislative interim employee benefits programs committee on pension portability. The report should focus on issues of pension portability and how to balance the needs of long- and short-term employees within defined benefit or defined contribution plan concepts.

**SECTION 19. LEGISLATIVE COUNCIL INTERIM STUDY OF PUBLIC**

**EMPLOYEE HEALTH INSURANCE BENEFITS.** The legislative council shall consider studying public employee health insurance benefits during the 1997-98 interim. If conducted, the study must include a comparison of the cost of participating in exclusive provider organizations and preferred provider organizations as compared to participating in the standard indemnity plan; the extent to which members of the uniform group insurance program are now participating in exclusive provider organizations and preferred provider organizations; the number of public employees who are unable to participate in a preferred provider organization or exclusive provider organization because of geographical considerations; an analysis of any cost savings if up to all participants exercise the exclusive provider organization or preferred provider organization option; and methods by which the public employees retirement system board could encourage members of the public employees retirement system uniform group insurance program to participate in exclusive provider organizations and preferred provider organizations. The study must include an analysis of general fund savings that may be realized if an additional copayment is required of all members not participating in an exclusive provider organization or preferred provider organization and an analysis of general fund savings that may be realized if members of the uniform group insurance program were permitted to participate in health maintenance organizations where such organizations are available. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly.

**SECTION 20. LEGISLATIVE COUNCIL STUDY OF TELEMEDICINE.**

The legislative council shall consider studying, during the 1997-98 interim, the

utilization of telemedicine in this and other states, and the desirability of adopting any amendments to the professional licensing laws and other laws that will facilitate the development of telemedicine while preserving the quality of health care. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly.

**SECTION 21. BUDGET STABILIZATION FUND TRANSFER TO BANK OF NORTH DAKOTA.** The director of the office of management and budget shall transfer any amounts in or to be transferred as of July 1, 1997, to the budget stabilization fund, to the Bank of North Dakota. Any amount transferred to the Bank shall become a part of the Bank's undivided profits.

**SECTION 22. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND.** During the biennium ending June 30, 1999, the industrial commission shall transfer to the state general fund up to \$29,600,000 from the current earnings of the Bank of North Dakota. The moneys shall be transferred in amounts and at such times as requested by the director of the office of management and budget.

No transfers may be made which would reduce the Bank's capital structure below \$100,000,000.

**SECTION 23. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND.** If, during the biennium ending June 30, 1999, the director of the office of management and budget determines via revised projections that general fund revenue collections will not meet the revenues as forecast in the March 1997 legislative forecast, then the industrial commission shall transfer to the state general fund an additional amount, as determined by the director of the office of management and budget and as approved by the budget section, from the earnings and accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. The additional amount transferred may not exceed the lesser of \$23,000,000 or the revenue shortfall of actual collections compared to the March 1997 legislative forecast.

No transfers may be made which would reduce the Bank's capital structure below \$100,000,000.

**SECTION 24. LEGISLATIVE INTENT - ADDITIONAL STATE AGENCY TURNBACK.** It is the intent of the fifty-fifth legislative assembly that the 1995-97 and 1997-99 biennium revenue forecasts as adopted by the budget section on March 12, 1997, be adjusted to include additional funds resulting from unspent 1995-97 appropriation authority of \$1,700,000 as follows: department of human services \$1,500,000; health department \$100,000; and department of economic development and finance \$100,000.

**SECTION 25. UNIVERSITY SYSTEM SALARY INITIATIVE.** Funding of \$3,200,000 appropriated for the university system salary initiative in the salaries and wages line item in subdivision 1 of section 1 of Senate Bill No. 2003, as approved by the fifty-fifth legislative assembly, must be used by the North Dakota university system for the benefit of the institutions and entities under the jurisdiction of the North Dakota university system, including its institutions of higher learning, the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, and the entities of the North Dakota agricultural experiment station.

**SECTION 26. HIGHER EDUCATION INTERNAL SERVICE FUND TRANSFERS - BUDGET SECTION APPROVAL.** All institutions under the authority of the board of higher education must receive approval from the budget section to expend or transfer amounts greater than \$50,000 from the accumulated moneys in internal service funds except for (1) mandatory transfers for servicing related debt; and (2) routine operating expenditures associated with the funds.

**SECTION 27. TRANSFER.** In addition to the \$2,000,000 transfer provided for in section 9 of Senate Bill No. 2015, as passed by the fifty-fifth legislative assembly, the industrial commission shall transfer to the general fund in the state treasury the sum of \$1,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 28. TRIBAL COMMUNITY COLLEGE IVN GRANTS - VIRTUAL UNIVERSITY.** The state board of higher education shall use the moneys appropriated in the tribal community college IVN grants line item in subdivision 2 of section 1 of Senate Bill No. 2003, as passed by the fifty-fifth legislative assembly, for a grant for the western governors' association virtual university project.

**SECTION 29. LEGISLATIVE INTENT - ADDITIONAL OIL AND GAS PRODUCTION TAX REVENUE.** It is the intent of the fifty-fifth legislative assembly that the 1997-99 biennium revenue forecast as adopted by the budget section on March 12, 1997, be adjusted to include additional oil and gas production tax revenues of \$1,416,730.

**SECTION 30. AMENDMENT.** Section 26.1-23.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-23.1-05. Investment of assets - Subsidiary insurance company coverage.** A government self-insurance pool may only invest its funds and accumulations in those investments described in ~~section~~ sections 26.1-05-19 and 26.1-10-02. If a government self-insurance pool investment is made under section 26.1-10-02, a resulting subsidiary insurance company may not write insurance coverage for:

1. North Dakota governmental entities which competes with coverage offered by the fire and tornado fund under chapter 26.1-22 as that chapter existed on December 31, 1988;
2. Individuals;
3. For-profit organizations;
4. Nonprofit hospitals, clinics, nursing homes, churches, fraternal organizations, or organizations not performing quasi-governmental functions; or
5. Agricultural business cooperatives.

**SECTION 31. AMENDMENT.** Section 32-12.2-06 of the North Dakota Century Code is amended and reenacted as follows:

**32-12.2-06. (~~Contingent expiration date - see Note~~) Liability insurance - Reinsurance.** Upon approval of the director of the office of management and

budget, an entity of the state may participate in a government self-insurance pool or may purchase insurance against liability of the entity and its employees for damages resulting from claims under this chapter. The director shall limit participation in government self-insurance pools and, except as provided in this section, the purchase of insurance to exposures determined to cause an excessive financial risk to the state risk management fund including exposures reasonably expected to deplete the fund and have a significant detrimental impact on the state's budget. The director shall develop a state self-retention program that provides as much coverage as possible of potential liability recognized by this chapter, but that includes insurance purchases in a manner that is determined appropriate by the director in consultation with the state risk manager. The insurance may be provided by an insurance company authorized to do business in this state which the commissioner of insurance has determined to be responsible and financially sound, considering the extent of the coverage required, or coverage may be provided by a government self-insurance pool. If a premium savings will result and the director of the office of management and budget approves, the insurance policy or memorandum of coverage may be in force from one through three years from the date of issue. The director may procure an excess loss reinsurance contract for the state.

**SECTION 32. AMENDMENT.** Section 54-27.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-27.2-02. ~~(Effective until June 30, 1997)~~ Certain general fund revenues to be deposited in the budget stabilization fund.** Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of ~~seventy sixty-five~~ million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

~~(Effective June 30, 1997) Certain general fund revenues to be deposited in the budget stabilization fund.~~ Notwithstanding any other provision of law except section ~~54-27.2-01~~, any amount in the state general fund in excess of forty million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. ~~For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.~~

<sup>4</sup> **SECTION 33. AMENDMENT.** Section 54-40-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-40-01. Agreement - Exercise of joint powers - Bonds.**

1. Two or more governmental units or municipal corporations having in common any portion of their territory or boundary, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise their respective separate powers, or any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised for the purpose of acquiring, constructing, and maintaining any building for their joint use. The term "governmental

---

<sup>4</sup> Section 54-40-01 was also amended by section 1 of Senate Bill No. 2048, chapter 548.

unit" as used in this section includes and means every city, county, town, park district, school district, states and United States governments and departments of each thereof, and all other political subdivisions even though not specifically named or referred to herein.

2. Two or more counties or cities, or any combination of counties or cities, whether or not they have in common any portion of their territory or boundary, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise their respective separate powers, or any power common to the contracting parties or any similar powers, for the purpose of acquiring equipment or constructing roads, bridges, and road and bridge improvements.
3. An agency, department, or institution of this state may enter an agreement with the state of South Dakota to form a bistate authority to jointly exercise any function that the entity is authorized by law to perform. Any agreement entered under this subsection must be submitted to the legislative assembly or, if the legislative assembly is not in session, to the legislative council or a committee designated by the legislative council for approval or rejection and may not become effective until approved by the legislative assembly or the legislative council.
4. Counties or cities, or any combination of counties or cities, may jointly issue bonds in the same manner and for the purposes provided for in chapter 21-03.

**SECTION 34. REPEAL.** Section 5 of Senate Bill No. 2012 as approved by the 1997 Legislative Assembly is repealed.

**SECTION 35. APPLICATION.** North Dakota Century Code sections 54-16-04 and 54-44.1-11 do not apply to chapter 1 of the 1995 Session Laws.

**SECTION 36. EXPIRATION DATE.** Section 32 of this Act is effective through June 30, 1999, and after that date is ineffective.

**SECTION 37. EMERGENCY.** Section 32 of this Act is declared to be an emergency measure.

Approved April 24, 1997  
Filed April 24, 1997

NOTE: Section 15 was vetoed by the Governor, see chapter 556.

## CHAPTER 16

### HOUSE BILL NO. 1016 (Appropriations Committee) (At the request of the Governor)

## EMERGENCY MANAGEMENT

AN ACT to provide an appropriation for defraying the expenses of the division of emergency management.

**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 hereby 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 division of emergency management under the supervision of the adjutant general for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 1,836,756
Operating expenses	1,067,062
Equipment	154,910
Grants	<u>12,838,000</u>
Total all funds	\$15,896,728
Less estimated income	<u>15,597,093</u>
Total general fund appropriation	\$ 299,635

**SECTION 2. STATE HAZARDOUS MATERIAL PREPAREDNESS AND RESPONSE FUND.** The estimated income line item in section 1 of this Act includes \$324,991 from the state hazardous material preparedness and response fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

Approved April 3, 1997

Filed April 3, 1997

## CHAPTER 17

### HOUSE BILL NO. 1017

(Appropriations Committee)  
(At the request of the Governor)

### ADJUTANT GENERAL

AN ACT to provide an appropriation for defraying the expenses of the adjutant general.

**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 hereby 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 adjutant general's office for the purpose of defraying the expenses of the adjutant general's office, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 2,855,065
Operating expenses	2,650,601
Equipment	50,000
Capital improvements	27,500
Grants	366,538
Army guard contract	8,658,017
Tuition and enlistment compensation	1,096,000
Air guard contract	5,062,635
Civil air patrol	92,822
Civil air patrol - workers' compensation payment	<u>9,186</u>
Total all funds	\$20,868,364
Less estimated income	<u>12,885,911</u>
Total general fund appropriation	\$ 7,982,453

**SECTION 2. SPECIAL FUNDS.** The amount of \$60,000, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is to be spent from the national guard tuition trust fund for the tuition programs provided for in chapters 37-07.1 and 37-07.2 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. APPROPRIATION.** There is hereby appropriated any funds received by the adjutant general from federal and private sources for the purpose of operating the North Dakota veterans' cemetery at or adjacent to Fort Abraham Lincoln state park for the biennium beginning July 1, 1997, and ending June 30, 1999.

Approved April 10, 1997  
Filed April 10, 1997

## CHAPTER 18

### HOUSE BILL NO. 1018 (Appropriations Committee) (At the request of the Governor)

### HOMESTEAD TAX CREDIT

AN ACT to provide an appropriation to the tax commissioner for payment of state reimbursement under the homestead tax; to amend and reenact section 57-15-01.1 of the North Dakota Century Code, relating to property tax levy authority of taxing districts; and to provide an effective date.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income, to the tax commissioner for the purpose of paying the state reimbursement under the homestead tax credit, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Grants	\$4,790,813
Total all funds	\$4,790,813
Less estimated income	<u>250,000</u>
Total general fund appropriation	\$4,540,813

**SECTION 2. ESTIMATED INCOME - TRANSFER.** The estimated income line item in section 1 of this Act includes \$250,000 from the housing finance agency reserves. Moneys must be transferred upon order of the industrial commission to the state tax commissioner's office when it determines the transfer is necessary for the state tax commissioner to make the homestead tax credit payments.

<sup>5</sup> **SECTION 3. AMENDMENT.** Section 57-15-01.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-15-01.1. (Effective for first four taxable years beginning after December 31, 1994) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:

---

<sup>5</sup> Section 57-15-01.1 was also amended by section 1 of House Bill No. 1341, chapter 486.

- a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year, but not including any amount levied in dollars under subsection 9; and
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section.
3. A taxing district may elect to levy two percent more in taxable year 1995 and two percent more in taxable year 1996 than the amount levied in dollars in the base year and for taxable years 1997 and 1998 may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's mill rate for that taxing district to the final base year taxable valuation of any property that is not included in the assessment for the budget year but was included in the assessment for the base year. However, no reduction may be made under this section due to the exemption of the personal property of railroads by enactment of House Bill No. 1396 by the fifty-fourth legislative assembly.
  - b. Increased by an amount equal to the sum determined by the application of the base year's mill rate for that taxing district to the final budget year taxable valuation of any property that was not included in the assessment for the base year but which is included in the assessment for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. A taxing district may levy an amount in dollars equal to the amount levied in any of the previous three years reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district and increased by an amount equal to the sum determined by the application of any unused mill levy authority from that year, which was authorized by law or by the electors of that taxing district but not levied for that year, to the budget year taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add any amount permitted by subsection 3 to the amount levied under this subsection.
5. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
6. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:

- a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
7. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
  8. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.
  9. In addition to the amount otherwise determined under this section, a county, city, township, or school district eligible for federal funds on a matching basis as a result of a disaster or emergency declared by the president of the United States may levy an amount in dollars equal to the amount required to match federal funds. An additional levy under this subsection may not increase the total budget year levy under this section to more than two percent more than the amount levied by the county, city, township, or school district in the base year. Amounts levied under this subsection are not part of base year levies in dollars for purposes of future budget year calculations under this section.

**(Effective for taxable years beginning after December 31, 1998) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
  - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year;
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section; and
  - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the exempt property calculated in the same manner as the taxable property.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by

a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:

- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable and exempt property that is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable or exempt property that was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. A taxing district may levy an amount in dollars equal to the amount levied in any of the previous three years reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district and increased by an amount equal to the sum determined by the application of any unused mill levy authority from that year, which was authorized by law or by the electors of that taxing district but not levied for that year, to the budget year taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add any amount permitted by subsection 3 to the amount levied under this subsection.
  5. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
  6. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
    - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
    - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
  7. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies

under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

8. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**SECTION 4. EFFECTIVE DATE.** Section 3 of this Act is effective for taxable years beginning after December 31, 1996.

Approved April 15, 1997  
Filed April 15, 1997

## CHAPTER 19

### HOUSE BILL NO. 1019

(Appropriations Committee)  
(At the request of the Governor)

### STATE AID DISTRIBUTION FUND

AN ACT to make an appropriation for the distribution of state aid distribution fund revenue to political subdivisions of the state of North Dakota; to amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to deposit and allocation of sales tax revenues in the state aid distribution fund; to repeal sections 54-27-20.2, 54-27-20.3, and chapter 57-58 of the North Dakota Century Code, relating to state revenue sharing distribution and personal property tax replacement; and to provide an effective date.

#### 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 hereby appropriated out of any moneys in the state aid distribution fund in the state treasury, not otherwise appropriated, to the state treasurer of the state of North Dakota for the purpose of distributing state aid distribution fund revenue to political subdivisions, for the period beginning July 1, 1997, and ending December 31, 1998, as follows:

Grants	<u>\$38,625,000</u>
Total state aid distribution fund appropriation	<u>\$38,625,000</u>

<sup>6</sup> **SECTION 2. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-39.2-26.1. Allocation of sales, use, and motor vehicle excise tax revenues to revenue sharing and personal property tax replacement among political subdivisions.** Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax collections equal to ~~sixty~~ forty percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. The Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated; subject to legislative appropriation, as follows:

1. Fifty percent of the revenues must be allocated in the first month subsequent to each quarterly period for state revenue sharing as provided in sections 54-27-20.2 and 54-27-20.3. Fifty-three and

---

<sup>6</sup> Section 57-39.2-26.1 was also amended by section 3 of House Bill No. 1467, chapter 496.

seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.

- a. Ten and four-tenths percent of the amount must be allocated among counties with a population of one hundred thousand or more, based upon the proportion each such county's population bears to the total population of all such counties.
- b. Eighteen percent of the amount must be allocated among counties with a population of forty thousand or more but fewer than one hundred thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- c. Twelve percent of the amount must be allocated among counties with a population of twenty thousand or more but fewer than forty thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- d. Fourteen percent of the amount must be allocated among counties with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- e. Twenty-three and two-tenths percent of the amount must be allocated among counties with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- f. Eighteen and three-tenths percent of the amount must be allocated among counties with a population of two thousand five hundred or more but fewer than five thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- g. Four and one-tenth percent of the amount must be allocated among counties with a population of fewer than two thousand five hundred, based upon the proportion each such county's population bears to the total population of all such counties.

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison diversion conservancy district, the southwest water authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during calendar year 1996. The governing boards of the county and township may agree to a different distribution.

2. Fifty percent of the revenues must be allocated for personal property tax replacement as provided in section 57-58-04. Forty-six and three-tenths

percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection.

- a. Fifty-three and nine-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more, based upon the proportion each such city's population bears to the total population of all such cities.
- b. Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- c. Four and nine-tenths percent of the amount must be allocated among cities with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- d. Thirteen and one-tenth percent of the amount must be allocated among cities with a population of one thousand or more but fewer than five thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- e. Six and four-tenths percent of the amount must be allocated among cities with a population of five hundred or more but fewer than one thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- f. Three and five-tenths percent of the amount must be allocated among cities with a population of two hundred or more but fewer than five hundred, based upon the proportion each such city's population bears to the total population of all such cities.
- g. Two and two-tenths percent of the amount must be allocated among cities with a population of fewer than two hundred, based upon the proportion each such city's population bears to the total population of all such cities.

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution.

**SECTION 3. REPEAL.** Sections 54-27-20.2 and 54-27-20.3 and chapter 57-58 of the North Dakota Century Code are repealed.

**SECTION 4. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective on January 1, 1999.

Approved April 8, 1997

Filed April 8, 1997

**CHAPTER 20****HOUSE BILL NO. 1020**

(Appropriations Committee)  
(At the request of the Governor)

**SEED DEPARTMENT**

AN ACT to provide an appropriation for defraying the expenses of the state seed department.

**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 hereby appropriated from special funds derived from income, to the state seed department for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$3,514,894
Operating expenses	1,070,210
Equipment	70,000
Capital improvements	354,000
Grants	300,000
Contingency	<u>200,000</u>
Total appropriation from seed department fund	\$5,509,104

**SECTION 2. APPROPRIATION LINE ITEM TRANSFERS.** Upon approval of the state seed commission, the state seed department may transfer from the contingency line item in its appropriation to any other line item except the capital improvements line item. The commission shall notify the office of management and budget of each transfer.

Approved February 20, 1997  
Filed February 21, 1997

## CHAPTER 21

### HOUSE BILL NO. 1021 (Appropriations Committee) (At the request of the Governor)

## GAME AND FISH DEPARTMENT

AN ACT to make an appropriation for defraying the expenses of the state game and fish department.

**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 hereby appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state game and fish department for the purpose of defraying the expenses of the various divisions of the department, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$11,292,661
Operating expenses	7,262,014
Equipment	638,150
Capital improvements	898,122
Grants	2,548,400
Noxious weed control	200,000
Land habitat and deer depredation	1,700,000
Wildlife habitat	1,050,000
Small and big game restoration trust	400,000
Grants, gifts, and donations	100,000
Nongame wildlife	120,000
Waterbank program	500,000
Lonetree reservoir	966,654
Total special funds appropriation	<u>\$27,676,001</u>

**SECTION 2. HABITAT RESTORATION.** The amount of \$1,050,000, or such lesser amount as may be available, for the line item entitled wildlife habitat in section 1 of this Act, is from the habitat restoration stamp program fund, to lease privately owned lands for wildlife habitat to reestablish wildlife population for the biennium beginning July 1, 1997, and ending June 30, 1999. These funds may be spent only for the purposes and using guidelines contained in section 20.1-03-12.1.

**SECTION 3. LAND HABITAT AND DEER DEPREDATION.** The amount of \$1,000,000, or such lesser amount as may be available, for the line item entitled land habitat and deer depredation in section 1 of this Act, is from the private land habitat improvement fund to improve wildlife habitat on private land and alleviate depredation as provided in section 20.1-02-05 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. NONGAME WILDLIFE.** The amount of \$45,000, or such lesser amount as may be available, for the line item entitled nongame wildlife in section 1 of this Act, is from the nongame wildlife fund for the purpose of preservation, inventory, perpetuation, and conservation of nongame wildlife, natural

areas, and nature preserves in this state for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. SMALL AND BIG GAME RESTORATION FUND.** The amount of \$400,000, or such lesser amount as may be available, for the line item entitled small and big game restoration trust in section 1 of this Act, is from the small and big game restoration trust fund to improve wildlife habitat on private land for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. WATERBANK PROGRAM.** The amount of \$500,000, or such lesser amount as may be available, for the line item entitled waterbank program in section 1 of this Act, is from the game and fish department operating fund and shall be used to increase water storage and enhance wildlife habitat in North Dakota. Priority shall be given to contracts to increase upper basin storage and enhance wildlife habitat in the Devils Lake basin. Contracts and agreements relating to the waterbank program may be entered into by the director of the game and fish department, in cooperation with the commissioner of agriculture.

Approved April 10, 1997  
Filed April 10, 1997

## CHAPTER 22

### HOUSE BILL NO. 1022 (Appropriations Committee) (At the request of the Governor)

### HISTORICAL SOCIETY

AN ACT to provide an appropriation for defraying the expenses of the state historical society and the international peace garden.

**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 hereby 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 from other income, to the state historical society for the purpose of defraying the expenses of its divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Subdivision 1.

HISTORICAL SOCIETY

Salaries and wages	\$4,101,499
Operating expenses	901,127
Equipment	81,244
Capital improvements	494,197
Grants	485,559
Yellowstone-Missouri-Fort Union Commission	<u>4,977</u>
Total all funds	\$6,068,603
Less estimated income	<u>1,208,157</u>
Total general fund appropriation	\$4,860,446

Subdivision 2.

INTERNATIONAL PEACE GARDEN

Capital improvements	\$ 55,000
International peace garden	<u>364,583</u>
Total general fund appropriation	\$ 419,583
Grand total general fund appropriation H.B. 1022	\$5,280,029

**SECTION 2. FUNDING - INTERNATIONAL PEACE GARDEN.** The superintendent of the state historical society shall transfer fifty percent of the amount appropriated in the international peace garden line item in subdivision 2 of section 1 of this Act to the international peace garden within ten days of July 1, 1997, and transfer the remaining fifty percent within ten days of July 1, 1998. The state historical society may not reduce the funds appropriated for the international peace garden in subdivision 2 of section 1 of this Act by a percentage greater than any percentage allotment of general fund moneys required of the department pursuant to the provisions of sections 54-44.1-12 and 54-44.1-13.1.

**SECTION 3. LEGISLATIVE INTENT - ADMINISTRATIVE COST SAVINGS.** It is the intent of the legislative assembly that the historical society use any administrative cost savings realized during the 1997-99 biennium from either general fund or special funds sources for the following programs listed in priority order: the public information program, the volunteer/facility program, or to enter its

library materials into the on-line Dakota information network, a statewide computerized library catalog and circulation system, during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. LEGISLATIVE INTENT - HISTORICAL SOCIETY - SELF-ASSESSMENT.** It is the intent of the legislative assembly that the state historical board, during the 1997-99 biennium, assess and evaluate the services and programs, including the administrative structure of the state historical society. The assessment and evaluation must address the efficiency of its administrative structure, the effectiveness of its programs and services in all divisions, the use of its facilities, and its customer relations efforts. The board shall present its report, including findings and recommendations to the budget section of the legislative council by June 30, 1998.

Approved April 10, 1997

Filed April 11, 1997

## CHAPTER 23

### HOUSE BILL NO. 1023 (Appropriations Committee) (At the request of the Governor)

## PARKS AND RECREATION DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department.

**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 hereby 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 parks and recreation department for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Administration	\$1,626,006
Natural resources	6,737,688
Recreation	<u>1,467,097</u>
Total all funds	\$9,830,791
Less estimated income	<u>3,969,240</u>
Total general fund appropriation	\$5,861,551

**SECTION 2. LEGISLATIVE INTENT - FUNDING FOR INTERNATIONAL PEACE GARDEN.** It is the intent of the legislative assembly that, rather than the state historical society, the department of parks and recreation include the funding request for the international peace garden in the department's 1999-2001 biennium budget request and that during the biennium beginning July 1, 1997, and ending June 30, 1999, the state historical society assist the department of parks and recreation to develop procedures to administer the funding for the international peace garden beginning July 1, 1999.

**SECTION 3. SNOWMOBILE FUND.** The amount of \$500,000, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the snowmobile fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. TRAIL TAX TRANSFER FUND.** The amount of \$15,000, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the trail tax transfer fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. ADDITIONAL INCOME.** All income of the parks and recreation department in excess of the estimated income appropriated in section 1 of this Act is hereby appropriated to the parks and recreation department for the biennium beginning July 1, 1997, and ending June 30, 1999, and may be spent only upon authorization of the emergency commission.

**SECTION 6. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the parks and recreation department may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

Approved April 10, 1997

Filed April 11, 1997

## CHAPTER 24

### HOUSE BILL NO. 1024 (Appropriations Committee) (At the request of the Governor)

## TOURISM DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the tourism department; and to provide for a legislative council study.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the tourism department for the purpose of defraying the expenses of the tourism department for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 880,969
Operating expenses	3,290,622
Equipment	15,378
Grants	<u>30,000</u>
Total all funds	\$4,216,969
Less estimated income	<u>363,000</u>
Total general fund appropriation	\$3,853,969

**SECTION 2. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying during the 1997-98 interim the coordination of efforts of the department of tourism, department of parks and recreation, department of economic development and finance, state historical society, and council on the arts to maximize their effectiveness by providing unified services to enhance the state's public image. If conducted, the study must focus on marketing, including international marketing, public relations, advertising, promotional materials development, graphic design, customer service training, and other public perception issues affecting North Dakota. The study is not to focus on the feasibility of merging these agencies into a consolidated department.

Approved April 10, 1997  
Filed April 11, 1997

## CHAPTER 25

### HOUSE BILL NO. 1025

(Appropriations Committee)  
(At the request of the Governor)

### WATER COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to amend and reenact section 57-51.1-07 of the North Dakota Century Code, relating to allocation of the oil extraction tax development fund; to provide for payment in lieu of taxes; to provide for a statewide water development program; to provide for the deposit of finance into the resources trust fund; to provide for retroactive application; and to provide an effective date.

#### **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 hereby 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 various divisions of the state water commission for the purpose of defraying the expenses of the various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 7,717,043
Operating expenses	8,176,853
Equipment	152,250
Capital improvements	32,800,000
Grants	13,714,446
Cooperative research	3,050,000
Total all funds	<u>\$65,610,592</u>
Less estimated income	<u>56,588,525</u>
Total general fund appropriation	<u>\$ 9,022,067</u>

**SECTION 2. RESOURCES TRUST FUND.** The amount of \$13,473,548, or so much of the funds as may be necessary, included in the estimated income line item in section 1 of this Act is from the resources trust fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. ALLOCATION OF GRANT FUNDS.** The funds appropriated in the grants line item in section 1 of this Act must be disbursed by the state water commission in accordance with section 61-02-64.1.

**SECTION 4. GRANTS.** Section 54-44.1-11 does not apply to appropriations made for grants in this Act. However, this exclusion is only in effect for the two-year period immediately following June 30, 1999. Any unexpended funds after this period has expired must be transferred to the resources trust fund.

**SECTION 5. RESOURCES TRUST FUND APPROPRIATION - ADJUSTMENT.** If the resources trust fund 1997-99 revenues are in excess of \$13,473,548, any excess is hereby appropriated, subject to emergency commission

approval, from the resources trust fund to the state water commission for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. WATER USE FUND.** The estimated income line item included in section 1 of this Act includes \$30,000 that the state water commission may spend from the water use fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 7. Payments in lieu of real estate taxes.** For land acquired for the Devils Lake project, the state water commission shall make payments in lieu of real estate taxes to the counties in which the property is located in the same manner and according to the same conditions and procedures as provided in chapter 57-02.1 for payments in lieu of real estate taxes by the state game and fish department.

**SECTION 8. POTENTIAL DAMAGE CAUSED BY CONSTRUCTION OF DEVILS LAKE OUTLET.** The state engineer shall establish a baseline of existing conditions and assess, verify, and quantify potential damage to downstream landowners and property caused by construction of an outlet from Devils Lake to the Sheyenne River. In doing so, the state engineer shall consider clearing and snagging operations, damage to basic infrastructure such as roads, culverts, and bridges caused by riverbank erosion and flooding, increased water treatment costs, and any other potential damage that may be of concern to downstream landowners. The sum of one hundred thousand dollars, or so much of the sum as may be necessary, from special and other funds that may be available to the state water commission, as provided in section 1 of this Act, may be used to defray the costs of this effort.

**SECTION 9. Statewide water development program.** The legislative assembly finds that there is a critical need to develop a comprehensive statewide water development program. The state water commission shall develop and implement a comprehensive statewide water development program. The commission shall design the program to serve the long-term water resource needs of the state and its people and to protect the state's current usage of, and the state's claim to, its proper share of Missouri River water.

**SECTION 10. Deposits of income.** All income derived from the lease and management of lands acquired by the state water commission for the southwest pipeline project must be deposited in the resources trust fund.

**SECTION 11. LEGISLATIVE INTENT - AGENCY OPERATIONS FUNDING.** It is the intent of the fifty-fifth legislative assembly that funding for agency operations be primarily funded from the general fund.

**SECTION 12. AMENDMENT.** Section 57-51.1-07 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-51.1-07. ~~(Effective through June 30, 1997)~~ Allocation of moneys in oil extraction tax development fund.** Moneys deposited in the oil extraction tax development fund must be apportioned quarterly by the state treasurer as follows:

1. Twenty percent must be allocated and credited to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds, must be credited to a special trust fund, to be known as the resources trust fund. The

resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as are other state funds to earn the maximum amount permitted by law which income must be deposited in the resources trust fund. The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:

- a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; and
  - b. The industrial commission for the funding of programs for development of energy conservation and renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products utilization; and for the making of grants and loans in connection therewith.
2. Twenty percent must be allocated as provided in section 24 of article X of the Constitution of North Dakota.
  3. Sixty percent must be allocated and credited to the state's general fund for general state purposes.

**(Effective July 1, 1997) Allocation of moneys in oil extraction tax development**

**fund:** Moneys deposited in the oil extraction tax development fund must be apportioned quarterly by the state treasurer as follows:

1. Ten percent must be allocated and credited to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds, must be credited to a special trust fund, to be known as the resources trust fund. The resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as are other state funds to earn the maximum amount permitted by law which income must be deposited in the resources trust fund. The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:
  - a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; and
  - b. The industrial commission for the funding of programs for development of energy conservation and renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products

utilization; and for the making of grants and loans in connection therewith.

2. ~~Twenty percent must be allocated as provided in article X, section 24, of the Constitution of North Dakota.~~
3. ~~Seventy percent must be allocated and credited to the state's general fund for general state purposes.~~

**SECTION 13. RETROACTIVE APPLICATION.** Section 7 of this Act is retroactive in application to January 1, 1996.

Approved April 11, 1997  
Filed April 11, 1997

## CHAPTER 26

### HOUSE BILL NO. 1026

(Appropriations Committee)  
(At the request of the Governor)

## WORKERS COMPENSATION BUREAU

AN ACT to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions; to provide authorization to expend funds from the workers' compensation contingency line item; to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to a continuing appropriation for allocated loss adjustment expenses; and to amend and reenact section 65-06.1-04 of the North Dakota Century Code, relating to civil air patrol workers' compensation reimbursements.

### 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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the workers' compensation fund in the state treasury, not otherwise appropriated, to the workers compensation bureau for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$13,299,049
Operating expenses	5,190,609
Equipment	576,000
Managed care/TPA	858,386
Information reengineering	3,250,000
Contingency	<u>100,000</u>
Total special funds appropriation	\$23,274,044

**SECTION 2. WORKERS' COMPENSATION CONTINGENCY - EMERGENCY COMMISSION APPROVAL REQUIRED.** The sums appropriated in section 1 of this Act for the workers' compensation contingency line item for the biennium beginning July 1, 1997, and ending June 30, 1999, may be spent only upon authorization of the emergency commission.

**SECTION 3. REPORT TO BUDGET SECTION.** The workers compensation bureau is to report to the budget section on the expenditure of the \$350,000 provided for critical salary adjustments.

**SECTION 4.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Allocated loss adjustment expenses - Continuing appropriation - Annual review. Money in the workers' compensation fund is appropriated on a continuing basis for the payment of all allocated loss adjustment expenses experienced by the bureau in its administration of this title. In its annual audit and its biennial report, the bureau shall include a breakdown of those allocated loss adjustment expenses that reflect the attorney fees and costs paid to attorneys who represent injured workers, the attorney

fees and costs paid to attorneys with whom it contracts to represent the bureau, the amount paid for administrative law judges for hearings, and the court reporter and other legal expenses paid. The performance audit required under 1997 Senate Bill No. 2074 must include a review of the bureau's legal costs to determine whether the system is operating efficiently.

**SECTION 5. AMENDMENT.** Section 65-06.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**65-06.1-04. ~~State reimbursement~~ Reimbursement for liability in excess of collected premiums.** Whenever claim liability against the fund credited to the classification of civil air patrol members exceeds the amount of premiums paid into ~~such the~~ fund, ~~such the~~ excess liabilities ~~shall be~~ are a general obligation of the state of North Dakota and ~~shall~~ must be reimbursed to the bureau for credit to the workers' compensation fund through legislative appropriation. The adjutant general may use the funds available to the adjutant general under the Federal Employment Compensation Act liability coverage to satisfy the obligation under this section.

Approved April 10, 1997

Filed April 11, 1997

NOTE: The line item in section 1 entitled "Equipment" was vetoed by the Governor, see chapter 555.

**CHAPTER 27****HOUSE BILL NO. 1027**

(Appropriations Committee)  
(At the request of the Governor)

**RETIREMENT AND INVESTMENT AGENCIES**

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies.

**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 hereby appropriated out of any moneys from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

## Subdivision 1.

## RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$1,455,252
Operating expenses	943,797
Equipment	18,000
Contingency	<u>82,000</u>
Total special funds appropriation	\$2,499,049

## Subdivision 2.

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$1,611,127
Operating expenses	1,124,527
Equipment	27,200
Contingency	<u>25,000</u>
Total special funds appropriation	\$2,787,854
Grand total special funds appropriation in H.B. 1027	\$5,286,903

Approved April 3, 1997

Filed April 3, 1997

## CHAPTER 28

### HOUSE BILL NO. 1028 (Appropriations Committee) (At the request of the Governor)

## STATE OFFICIALS AND INSTITUTIONS

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; to provide for a transfer from the accumulated and undivided profits of the Bank of North Dakota to the general fund; to create and enact a new section to chapter 5 of the 1995 Session Laws, relating to capital improvements at the north central research center; to amend and reenact section 4 of chapter 25 of the 1995 Session Laws, relating to state employee defense costs; and to declare an emergency.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** There is hereby 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, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the general fund and special funds appropriation authority enacted by the fifty-fourth legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 1997, and ending June 30, 1997, as follows:

Subdivision 1.

OFFICE OF MANAGEMENT AND BUDGET

Administration	\$ 863,481
Facility management	<u>25,000</u>
Total general fund appropriation	\$ 888,481

Subdivision 2.

OFFICE OF THE ATTORNEY GENERAL

Grants	\$ 153,000
Total general fund appropriation	<u>\$ 153,000</u>

Subdivision 3.

BISMARCK STATE COLLEGE

Capital improvements	\$ 160,000
Total general fund appropriation	<u>\$ 160,000</u>

Subdivision 4.

DIVISION OF EMERGENCY MANAGEMENT

Operating expenses	\$3,500,000
Total general fund appropriation	<u>\$3,500,000</u>

Subdivision 5.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Operating expenses	\$ 852,000
Total all funds	<u>\$ 852,000</u>
Less estimated income	<u>245,000</u>
Total general fund appropriation	\$ 607,000

Grand total general fund appropriation H.B. 1028	\$5,523,021
Grand total special funds appropriation H.B. 1028	\$ 245,000
Grand total all funds appropriation H.B. 1028	\$5,768,021

**SECTION 2. TRANSFER.** If a settlement is reached with the United States department of health and human services, there is hereby transferred from the accumulated and undivided profits of the Bank of North Dakota to the general fund, an amount equal to the amount set forth in the settlement agreement for settlement of a claim made against the state for imputed interest on health professions student loan and nursing student loan program funds held by various North Dakota institutions of higher learning. The amount of the transfer provided for in this Act may not exceed \$214,540. The industrial commission shall transfer the amount necessary for payment of the settlement agreed to into the general fund within ten days of execution of an agreement between the state and the United States department of health and human services or the effective date of this Act, whichever is later. In the event section 5 of this Act does not become effective, the industrial commission shall transfer to the general fund the amount necessary to pay the settlement on July 1, 1997.

**SECTION 3. APPROPRIATION.** There is hereby appropriated to the North Dakota university system out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$214,540, or so much of that amount as may be necessary, to comply with the terms of a settlement agreement of claims made against the state by the United States department of health and human services for imputed interest on health professions student loan and nursing student loan program funds held by various institutions of higher learning. The North Dakota university system shall disburse the funds appropriated by this section in amounts not to exceed the amounts set forth below to the:

Nursing student loan program at North Dakota state university	\$ 25,888
Nursing student loan program at Minot state university	42,887
Health professions student loan program at the university of North Dakota	2,852
Nursing student loan program at the university of North Dakota	32,973
United States department of health and human services	109,940

The state board of higher education shall disburse the amounts set forth above, or a lesser amount as required by the settlement agreement reached with the United States department of health and human services, within ten days of the date the industrial commission makes the transfer provided for in section 3 of this Act, but in any event the board shall pay the settlement on or before July 11, 1997.

**SECTION 4.** A new section to chapter 5 of the 1995 Session Laws is created and enacted as follows:

**NORTH CENTRAL RESEARCH CENTER CAPITAL IMPROVEMENTS.**

The capital improvements line item in subdivision 8 of section 1 of this Act may be used to construct a new headquarters building at the north central research center.

**SECTION 5. AMENDMENT.** Section 4 of chapter 25 of the 1995 Session Laws is amended and reenacted as follows:

**SECTION 4. BONDING FUND.** The appropriation in section 1 of this Act includes up to \$250,000, or so much of the sum as may be necessary, from the state bonding fund to the attorney general for the purpose of providing state employee defense services pursuant to section 26.1-21-10.2. The emergency commission,

notwithstanding section 54-16-04, is authorized during the biennium beginning July 1, 1995, and ending June 30, 1997, to approve the expenditure of the funds from the state bonding fund appropriated in section 1 of this Act to the extent necessary and based upon applications by the attorney general. ~~Funds expended by the attorney general for state employee defense must be reimbursed to the state bonding fund through deficiency appropriation and the attorney general shall report to the budget section of the legislative council the amount of any deficiency appropriation that may be introduced to the fifty-fifth legislative assembly.~~

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-fifth legislative assembly that the general fund appropriation of \$863,481 included in subdivision 1 of section 1 of this Act is to be used by the administration division of the office of management and budget to pay the United States department of health and human services for its share of fire and tornado fund money previously transferred to the general fund of the state treasury. If this appropriation is not sufficient to pay the amount due, including interest, the director of the office of management and budget may request state contingencies funding from the emergency commission, use available general fund moneys appropriated to the fiscal management division of the office of management and budget, or request a deficiency appropriation from the fifty-sixth legislative assembly to obtain funds to pay the remaining amount due.

**SECTION 7. EMERGENCY.** This Act is declared to be an emergency measure.

Approved April 9, 1997  
Filed April 10, 1997

**CHAPTER 29****HOUSE BILL NO. 1431**

(Representatives Schmidt, Hausauer, D. Johnson, Kerzman)  
(Senators Robinson, Wanzek)

**WEED CONTROL**

AN ACT to provide appropriations to the commissioner of agriculture for biological weed control programs.

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

**SECTION 1. APPROPRIATION.** There is hereby appropriated out of any moneys in the environment and rangeland protection fund in the state treasury, not otherwise appropriated, the sum of \$215,167, or so much of the sum as may be necessary, to the commissioner of agriculture, for for the purpose of developing biological control programs and managing noxious and new invasive weeds for the biennium beginning July 1, 1997, and ending June 30, 1999.

Approved April 8, 1997  
Filed April 8, 1997

## CHAPTER 30

### SENATE BILL NO. 2001

(Appropriations Committee)  
(At the request of the Legislative Council)

### LEGISLATIVE BRANCH

AN ACT providing an appropriation for defraying the expenses of the legislative branch of government; to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to the use of fees collected by the legislative council or the legislative assembly; to repeal section 54-03-19 of the North Dakota Century Code, relating to the seal on legislative bills; to provide for retroactive application; and to declare an emergency.

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

**SECTION 1. APPROPRIATION FOR THE LEGISLATIVE BRANCH OF STATE GOVERNMENT.** The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the legislative branch of the state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 1999, as follows:

Subdivision 1.

FIFTY-FIFTH AND FIFTY-SIXTH LEGISLATIVE ASSEMBLIES AND  
BIENNIUM

Salaries and wages	\$ 4,877,733
Operating expenses	3,450,586
Equipment	15,000
National conference of state legislatures	<u>149,394</u>
Total general fund appropriation	\$ 8,492,713

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$ 3,792,548
Operating expenses	2,078,359
Equipment	<u>11,825</u>
Total general fund appropriation	\$ 5,882,732
Grand total general fund appropriation	\$14,375,445

**SECTION 2. TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative council as may be requested by the chairman of the council or the chairman's designee upon the finding by the chairman or designee that the nature of studies and duties assigned to the council requires the transfers in properly carrying on the council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the fifty-fifth and fifty-sixth legislative assemblies, upon request by the chairman of the legislative council or the chairman's designee upon the finding by the chairman or designee that the transfers are required for the legislative assembly to carry on its functions and duties.

**SECTION 3.** A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

**Use of fees - Appropriation.** All fees received by the legislative council and the legislative assembly for providing legislative information services and copies of legislative documents must be deposited in the legislative services fund in the state treasury. The legislative services fund is a revolving fund with an authorized ceiling of two hundred fifty thousand dollars. All moneys transferred into the fund, moneys deposited in the fund, and earnings on moneys in the fund are appropriated to the legislative council for use in improving and enhancing legislative information services and the preparation of legislative documents. The fund is not subject to section 54-44.1-11.

**SECTION 4. REPEAL - RETROACTIVE APPLICATION.** Section 54-03-19 of the North Dakota Century Code is repealed retroactive to January 1, 1997.

**SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.

Approved March 25, 1997

Filed March 26, 1997

## CHAPTER 31

### SENATE BILL NO. 2002 (Appropriations Committee) (At the request of the Supreme Court)

### JUDICIAL BRANCH

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to declare legislative intent; to amend and reenact sections 11-10-02, 11-17-04, 27-02-02, 27-05-03, 27-11-17, 27-11-22, and 27-12-04 of the North Dakota Century Code, relating to the consolidation of the positions of register of deeds and clerk of district court, fees charged by the clerk of district court, salaries of supreme and district court judges, and attorney license fees; and to provide an effective date.

#### **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 hereby 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 judicial branch for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### SUPREME COURT

Salaries and wages	\$ 4,644,087
Operating expenses	1,490,790
Equipment	132,700
Judges retirement	337,405
Dispute resolution options	20,000
Total all funds	<u>\$ 6,624,982</u>
Less estimated income	8,963
Total general fund appropriation	<u>\$ 6,616,019</u>

#### Subdivision 2.

##### DISTRICT COURTS

Salaries and wages	\$21,518,136
Operating expenses	7,906,299
Clerk of court consolidation funding	100,000
Equipment	654,954
Judges retirement	959,232
Total all funds	<u>\$31,138,621</u>
Less estimated income	384,089
Total general fund appropriation	<u>\$30,754,532</u>

#### Subdivision 3.

##### JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	\$ 460,000
Total all funds	<u>\$ 460,000</u>
Less estimated income	225,000
Total general fund appropriation	<u>\$ 235,000</u>

Grand total general fund appropriation	\$37,605,551
Grand total special funds appropriation	\$ 618,052
Grand total all funds appropriation	\$38,223,603

**SECTION 2. APPROPRIATION.** There is hereby appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. TRANSFERS.** The director of the office of management and budget and the state treasurer shall make such transfers of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

**SECTION 4. EXEMPTION.** The supreme court equipment appropriation contained in section 1 of chapter 24 of the 1993 Session Laws is not subject to section 54-44.1-11, and \$75,565 of the unexpended funds from this appropriation are available for the purchase of a photocopier during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. COURT AUTOMATION RESTRICTED.** The supreme court and the district courts may not require any county to spend county funds on computer equipment relating to the automation of the court system.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-fifth legislative assembly that counties use the provisions of chapters 11-10.2, 11-10.3, and 54-40.3 to combine or share the services of clerks of district court and that the judicial branch budget for the 1999-2001 biennium and future bienniums include funding necessary to efficiently fund administration of the district courts.

**SECTION 7. AMENDMENT.** Section 11-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**11-10-02. Number and election of county officers.** Each organized county, unless it has adopted one of the optional forms of county government provided by the code or has combined or separated the functions of county offices or redesignated offices as elective or appointive pursuant to chapter 11-10.2 or 11-10.3, must have the following officers:

1. One county auditor.
2. One register of deeds ~~in counties having a population of more than six thousand.~~
3. One clerk of the district court, except as otherwise provided by this section.
4. One state's attorney.
5. One sheriff.
6. One county treasurer.

7. One coroner.
8. ~~Repealed by S.L. 1989, ch. 137, § 10, effective January 1, 1993.~~
9. A board of county commissioners consisting of three or five members as provided in this title.

In counties having a population of six thousand or less, the register of deeds shall perform the functions of the clerk of the district court ~~must be the register of deeds~~, unless the board of county commissioners adopts a resolution separating the offices no less than thirty days before petitions for nomination to county offices may first be filed for the primary election. In a county having a population of more than six thousand, the offices of clerk of district court and register of deeds may be combined into an office of register of deeds if the board of county commissioners, following consultation with the supreme court, adopts a resolution combining the offices no less than thirty days before petitions for nominations to county offices may first be filed for the primary election. For a county ~~which~~ that has properly initiated the option ~~and it is funded by the legislative assembly~~ pursuant to section 11-17-11, and the office of the clerk of court is funded by the legislative assembly, the board of county commissioners may provide for the functions of the register of deeds' services in any appropriate manner ~~deeds, which may include functions of the clerk of district court and other functions as determined by the board of county commissioners.~~ Counties having a population of six thousand or less and exercising the option provided in section 11-17-11 may contract with the state court administrator for the provision of shared funding for register of deeds' services. The required officers must be chosen by the qualified electors of the respective counties at the general election in each even-numbered year, except the register of deeds, county auditor, treasurer, sheriff, state's attorney, and clerk of the district court, who must be chosen in 1966 and every four years thereafter, the members of the board of county commissioners, who must be chosen in the manner prescribed in section 11-11-02, and the county coroner, who must be chosen in the manner prescribed in section 11-19.1-03. The clerk of district court elected pursuant to this section is not subject to election in any future general election that occurs after the start of the state biennium after the county has properly initiated the option and the legislative assembly has provided appropriations pursuant to section 11-17-11.

<sup>7</sup> **SECTION 8. AMENDMENT.** Section 11-17-04 of the North Dakota Century Code is amended and reenacted as follows:

**11-17-04. Fees to be charged by the clerk of the district court.**

1. The clerk of the district court shall charge and collect the following fees in civil cases:
  - a. For filing a case for decision that is not a small claims action, eighty dollars.
    - (1) ~~Ten~~ Fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the civil legal services fund. Any fees collected under this paragraph which

---

<sup>7</sup> Section 11-17-04 was also amended by section 1 of House Bill No. 1420, chapter 111, and section 9 of Senate Bill No. 2002, chapter 31.

exceed \$400,000 in any biennium must be paid by the clerk of court to the state treasurer for deposit in the state general fund.

- (2) For the filing of a petition for dissolution of marriage, annulment, or separation from bed and board, fifty dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the displaced homemaker account created by section 14-06.1-14.
  - (3) For all other filings, ~~fifty~~ forty-five dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
    - b. For filing an answer to a case that is not a small claims action, fifty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund in the state treasury.
    - c. For filing a small claims action in district court, ten dollars.
    - d. For filing any matter authorized to be filed in the office of the clerk of court other than under subdivision a, b, or c, five dollars.
    - e. For preparing, certifying, issuing, or transmitting any document, five dollars; or such lesser fee as may be set by a schedule to be promulgated by the state court administrator.
    - f. For filing a motion or an answer to a motion to modify an order for alimony, property division, child support, or child custody, thirty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund of the state treasury.
2. Section 27-01-07 applies to fees charged under this section. The clerk of court may not charge or collect any fee, prescribed by this or any other section, from the state or an agency thereof or from a political subdivision or agency thereof.

<sup>8</sup> **SECTION 9. AMENDMENT.** Section 11-17-04 of the North Dakota Century Code as amended by section 8 of this Act is amended and reenacted as follows:

**11-17-04. Fees to be charged by the clerk of the district court.**

1. The clerk of the district court shall charge and collect the following fees in civil cases:
  - a. For filing a case for decision that is not a small claims action, eighty dollars.

---

<sup>8</sup> Section 11-17-04 was also amended by section 1 of House Bill No. 1420, chapter 111, and section 8 of Senate Bill No. 2002, chapter 31.

- (1) Fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the civil legal services fund. Any fees collected under this paragraph which exceed \$400,000 in any biennium must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
  - (2) For the filing of a petition for dissolution of marriage, annulment, or separation from bed and board, fifty dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the displaced homemaker account created by section 14-06.1-14 and fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
  - (3) For all other filings, ~~forty-five~~ sixty-five dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
- b. For filing an answer to a case that is not a small claims action, fifty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund in the state treasury.
  - c. For filing a small claims action in district court, ten dollars.
  - d. For filing any matter authorized to be filed in the office of the clerk of court other than under subdivision a, b, or c, five dollars.
  - e. For preparing, certifying, issuing, or transmitting any document, five dollars; or such lesser fee as may be set by a schedule to be promulgated by the state court administrator.
  - f. For filing a motion or an answer to a motion to modify an order for alimony, property division, child support, or child custody, thirty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund of the state treasury.
2. Section 27-01-07 applies to fees charged under this section. The clerk of court may not charge or collect any fee, prescribed by this or any other section, from the state or an agency thereof or from a political subdivision or agency thereof.

**SECTION 10. AMENDMENT.** Section 27-02-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**27-02-02. Salaries of judges of supreme court.** The annual salary of each judge of the supreme court is ~~seventy-five~~ seventy-nine thousand ~~nine~~ seven hundred ~~thirty-six~~ seventy-one dollars through June 30, ~~1996~~ 1998, and ~~seventy-seven~~ eighty-two thousand ~~four~~ one hundred ~~forty-eight~~ sixty-four dollars thereafter. The chief justice of the supreme court is entitled to receive an additional two thousand ~~one~~ two hundred ~~thirty-six~~ fifty dollars per annum through June 30, ~~1996~~ 1998, and two thousand ~~one~~ three hundred ~~eighty-four~~ eighteen dollars per annum thereafter.

**SECTION 11. AMENDMENT.** Section 27-05-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**27-05-03. Salaries and expenses of district judges.** The annual salary of each district judge is ~~seventy~~ seventy-three thousand six hundred sixteen dollars through June 30, ~~1996~~ 1998, and ~~seventy-one~~ seventy-five thousand four hundred seventy-two ~~twenty-four~~ dollars thereafter. Each district judge is entitled to travel expenses including mileage and subsistence while engaged in the discharge of official duties outside the ~~county~~ city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional one thousand ~~six~~ seven hundred ~~fifty-six~~ forty-three dollars per annum, through June 30, ~~1996~~ 1998, and one thousand ~~six~~ seven hundred ~~ninety-two~~ ninety-five dollars thereafter.

**SECTION 12. AMENDMENT.** Section 27-11-17 of the North Dakota Century Code is amended and reenacted as follows:

**27-11-17. Fee payable by all applicants for admission to bar - Disposition of fees.** The state bar board ~~shall~~ is entitled to receive a fee to be determined ~~from time to time~~ by the state bar board with the approval of the supreme court of an amount not to exceed one hundred fifty dollars from each applicant for admission to the bar of this state who submits to examination by the state bar board and ~~shall~~ receive a fee to be determined ~~from time to time~~ by the state bar board with the approval of the supreme court of an amount not to exceed ~~two~~ four hundred dollars from each applicant for admission to the bar of this state who seeks admission upon motion in accordance with state law or supreme court rule. All ~~such~~ fees received must be deposited and disbursed in accordance with section 54-44-12.

**SECTION 13. AMENDMENT.** Section 27-11-22 of the North Dakota Century Code is amended and reenacted as follows:

**27-11-22. Annual licenses to practice law and to serve on certain courts - Requirement - Issuance - Fees.** Every person who has an unrevoked certificate of admission to the bar of this state and who desires to engage in the practice of law, or who is to serve as a judge of a court of record, shall secure an annual license from the state bar board on or before January first of each year. The secretary-treasurer of the board shall issue the license upon compliance with the rules adopted or approved by the supreme court to assure the professional competence of attorneys, and upon payment of a fee established by the state bar association at its annual meeting, by a majority vote of its members in attendance at the meeting, not to exceed ~~two~~ four hundred ~~fifty~~ dollars. The license is valid for the calendar year for which it is issued. Issuance of an annual license to practice law may not be conditioned upon payment of any surcharge, assessment, or fee in excess of the maximum fee established by this section. This section does not prohibit imposition of a reasonable fee for filing and processing reports of compliance with continuing education requirements.

**SECTION 14. AMENDMENT.** Section 27-12-04 of the North Dakota Century Code is amended and reenacted as follows:

**27-12-04. Moneys payable from state bar fund to state bar association.** The state bar association of North Dakota, out of the state bar fund, ~~annually shall~~ must receive ~~eighty~~, for operation of the lawyer discipline system, fifty dollars of each license fee beginning January 1, 1998, and seventy-five dollars of each license fee beginning January 1, 1999. Eighty percent of the remaining amount of the annual license fees paid by licensed members; must be paid to the state bar association for the purpose of paying for the printing administering and distribution of the annual report and proceedings of said operating the association and for the payment of other necessary expenses of the association. ~~Such sum~~ These sums must be paid

quarterly to the association by the state bar board upon vouchers drawn in accordance with section 54-44-12.

**SECTION 15. EFFECTIVE DATE.** Section 9 of this Act becomes effective on April 1, 1999.

Approved April 17, 1997  
Filed April 17, 1997

## CHAPTER 32

### SENATE BILL NO. 2003

(Appropriations Committee)  
(At the request of the Governor)

### BOARD OF HIGHER EDUCATION

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide a contingent appropriation; to authorize the industrial commission to issue and sell bonds for capital projects; to provide an appropriation; to amend and reenact sections 54-02-11 and 54-17.2-23 of the North Dakota Century Code, relating to the state art gallery and limitation on state building authority lease payments; 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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income, to the North Dakota university system and to the various institutions of higher learning under the supervision of the North Dakota university system for the purpose of defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### NORTH DAKOTA UNIVERSITY SYSTEM

Salaries and wages		\$356,043,998
Technology		<u>22,813,400</u>
Total salaries, wages, and technology		\$378,857,398
Estimated income:		
Bismarck state college	\$6,461,060	
University of North Dakota - Lake Region	1,423,217	
University of North Dakota - Williston	2,266,959	
University of North Dakota	53,046,381	
North Dakota state university	45,301,979	
North Dakota state college of science	8,482,258	
Dickinson state university	5,497,688	
Mayville state university	2,865,468	
Minot state university	13,452,405	
Valley City state university	3,709,027	
Minot state university - Bottineau	1,352,782	
University of North Dakota medical center	41,176,495	
Forest service	<u>663,040</u>	
Less institutional estimated income		<u>\$185,698,759</u>
General fund appropriation		\$193,158,639

#### Subdivision 2.

##### NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Operating expenses		\$ 711,278
Equipment		21,000
Capital improvements emergency		200,000

Student financial assistance grants	4,480,386
ADA projects	500,000
Computer network management	205,494
Small campus projects	500,000
Professional student exchange program	1,389,801
Disabled student services	26,693
Technical administration	184,906
Contingency fund	200,000
Scholars program	659,286
Perkins loan program match	102,885
Native American scholarships	204,000
Title II	434,000
Competitive research program	1,980,000
Tribal community college IVN grants	100,000
Total operating fund appropriation	\$ 11,899,729
Less operating fund estimated income	3,604,886
General fund appropriation	\$ 8,294,843

## Subdivision 3.

## BISMARCK STATE COLLEGE

Operating fund appropriation	
Operating expenses	\$ 4,081,904
Equipment	576,407
Capital improvements	1,124,542
Total operating fund appropriation	\$ 5,782,853
Less operating fund estimated income	350,000
General fund appropriation	\$ 5,432,853
Local funds appropriation	2,785,000
Total general fund and local funds appropriations	\$ 8,217,853
Total all funds appropriation	\$ 8,567,853

## Subdivision 4.

## UNIVERSITY OF NORTH DAKOTA - LAKE REGION

Operating fund appropriation	
Operating expenses	\$ 1,183,386
Equipment	136,338
Capital improvements	74,993
Total operating fund appropriation	\$ 1,394,717
Less operating fund estimated income	0
General fund appropriation	\$ 1,394,717
Local funds appropriation	1,964,700
Total general fund and local funds appropriations	\$ 3,359,417
Total all funds appropriation	\$ 3,359,417

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA - WILLISTON

Operating fund appropriation	
Operating expenses	\$ 1,462,540
Equipment	210,815
Capital improvements	3,071,929
Total operating fund appropriation	\$ 4,745,284
Less operating fund estimated income	3,000,000
General fund appropriation	\$ 1,745,284
Local funds appropriation	182,300
Total general fund and local funds appropriations	\$ 1,927,584
Total all funds appropriation	\$ 4,927,584

## Subdivision 6.

## UNIVERSITY OF NORTH DAKOTA

Operating fund appropriation	
Operating expenses	\$ 28,875,130
Equipment	1,517,369
Capital improvements	<u>4,857,305</u>
Total operating fund appropriation	\$ 35,249,804
Less operating fund estimated income	<u>2,950,000</u>
General fund appropriation	\$ 32,299,804
Local funds appropriation	<u>56,720,000</u>
Total general fund and local funds appropriations	\$ 89,019,804
Total all funds appropriation	\$ 91,969,804

## Subdivision 7.

## NORTH DAKOTA STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 20,342,645
Equipment	1,905,500
Capital improvements	<u>2,777,072</u>
Total operating fund appropriation	\$ 25,025,217
Less operating fund estimated income	<u>1,350,000</u>
General fund appropriation	\$ 23,675,217
Local funds appropriation	<u>18,670,000</u>
Total general fund and local funds appropriations	\$ 42,345,217
Total all funds appropriation	\$ 43,695,217

## Subdivision 8.

## NORTH DAKOTA STATE SCHOOL OF SCIENCE

Operating fund appropriation	
Operating expenses	\$ 5,768,890
Equipment	1,337,662
Capital improvements	<u>598,947</u>
Total operating fund appropriation	\$ 7,705,499
Less operating fund estimated income	<u>110,000</u>
General fund appropriation	\$ 7,595,499
Local funds appropriation	<u>3,992,300</u>
Total general fund and local funds appropriations	\$ 11,587,799
Total all funds appropriation	\$ 11,697,799

## Subdivision 9.

## DICKINSON STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 3,826,432
Equipment	322,500
Capital improvements	<u>321,103</u>
Total operating fund appropriation	\$ 4,470,035
Less operating fund estimated income	<u>150,000</u>
General fund appropriation	\$ 4,320,035
Local funds appropriation	<u>1,430,000</u>
Total general fund and local funds appropriations	\$ 5,750,035
Total all funds appropriation	\$ 5,900,035

## Subdivision 10.

## MAYVILLE STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 1,981,057

Equipment	220,500
Capital improvements	131,925
Total operating fund appropriation	\$ 2,333,482
Less operating fund estimated income	0
General fund appropriation	\$ 2,333,482
Local funds appropriation	685,000
Total general fund and local funds appropriations	\$ 3,018,482
Total all funds appropriation	\$ 3,018,482

## Subdivision 11.

## MINOT STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 5,938,012
Equipment	779,668
Capital improvements	2,342,098
Total operating fund appropriation	\$ 9,059,778
Less operating fund estimated income	1,500,000
General fund appropriation	\$ 7,559,778
Local funds appropriation	4,535,732
Total general fund and local funds appropriations	\$ 12,095,510
Total all funds appropriation	\$ 13,595,510

## Subdivision 12.

## VALLEY CITY STATE UNIVERSITY

Operating fund appropriation	
Operating expenses	\$ 2,609,734
Equipment	308,500
Capital improvements	765,000
Special initiatives	202,837
Total operating fund appropriation	\$ 3,886,071
Less operating fund estimated income	0
General fund appropriation	\$ 3,886,071
Local funds appropriation	1,550,000
Total general fund and local funds appropriations	\$ 5,436,071
Total all funds appropriation	\$ 5,436,071

## Subdivision 13.

## MINOT STATE UNIVERSITY - BOTTINEAU

Operating fund appropriation	
Operating expenses	\$ 987,980
Equipment	147,500
Capital improvements	74,130
Total operating fund appropriation	\$ 1,209,610
Less operating fund estimated income	0
General fund appropriation	\$ 1,209,610
Local funds appropriation	211,100
Total general fund and local funds appropriations	\$ 1,420,710
Total all funds appropriation	\$ 1,420,710

## Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

Operating fund appropriation	
Operating expenses	\$ 409,299
Equipment	48,011
Capital improvements	81,061

Grants to centennial trees	147,486
Total operating fund appropriation	\$ 685,857
Less operating fund estimated income	147,486
General fund appropriation	\$ 538,371
Local funds appropriation	50,000
Total general fund and local funds appropriations	\$ 588,371
Total all funds appropriation	\$ 735,857

## Subdivision 15.

## UNIVERSITY OF NORTH DAKOTA MEDICAL CENTER

Operating fund appropriation	
Operating expenses	\$ 16,049,721
Equipment	4,705,045
Total operating fund appropriation	\$ 20,754,766
Less operating fund estimated income	13,008,600
General fund appropriation	\$ 7,746,166
Grand total general fund appropriation S.B. 2003	\$301,940,369
Grand total special funds appropriation S.B. 2003	\$232,219,731
Grand total local funds appropriation S.B. 2003	\$ 92,776,132
Grand total all funds appropriation S.B. 2003	\$626,936,232

**SECTION 2. APPROPRIATION TRANSFER.** The higher education contingency fund, capital improvements emergency, ADA projects, small campus projects, and disabled student services in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by the North Dakota university system. The board shall notify the office of management and budget of the allocation of general fund authority from the university system contingency fund, capital improvements emergency, ADA projects, small campus projects, and disabled student services to the various entities and institutions and which line items in the various institutions and entities must be adjusted.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** Operating fund income received in excess of the estimated income line item appropriated to the entities in section 1 of this Act which is deposited in their respective operating funds in the state treasury up to the following amounts is hereby appropriated and may be spent subject to university system approval:

INSTITUTION	AMOUNT
North Dakota university system office	\$ 108,147
Bismarck state college	204,332
University of North Dakota - Lake Region	42,697
University of North Dakota - Williston	158,009
University of North Dakota	1,679,891
North Dakota state university	1,399,559
North Dakota state college of science	257,768
Dickinson state university	169,431
Mayville state university	85,964
Minot state university	448,572
Valley City state university	111,271
Minot state university - Bottineau	40,583
North Dakota forest service	24,316
University of North Dakota medical center	1,625,553
Total	\$6,356,093

Any additional excess estimated income is hereby appropriated and may be spent only upon authorization of the emergency commission. Any funds received by the board of higher education and the entities of the North Dakota university system pursuant to federal acts, private grants, and other sources not deposited in the operating funds in the state treasury are hereby appropriated for the period beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. TRANSFER AUTHORITY.** The North Dakota university system is authorized to approve transfer of funds between line items for each entity included in section 1 of this Act and shall notify the office of management and budget of each transfer.

**SECTION 5. CONTINGENT APPROPRIATION - NORTH DAKOTA STATE UNIVERSITY AND NORTH DAKOTA STATE COLLEGE OF SCIENCE.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$750,000, and from special funds derived from other income not in the existing budgets, the sum of \$250,000, or so much of the sums as may be necessary, to North Dakota state university and North Dakota state college of science for the purpose of operating the Fargo skills center, for the biennium beginning July 1, 1997, and ending June 30, 1999. The general fund appropriation provided for in this section may only be spent upon certification to the state treasurer that North Dakota state university and North Dakota state college of science have received commitments to provide the \$200,000 of special funds derived from other income not in the existing budgets for the project.

**SECTION 6. PROJECT AUTHORIZATIONS.** The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, hereby declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, during the biennium beginning July 1, 1997, and ending June 30, 1999. The proceeds of the evidences of indebtedness and other available funds are hereby appropriated during the biennium beginning July 1, 1997, and ending June 30, 1999, for the following projects:

University of North Dakota	Renovation and addition to the Ed James Wing of the Medical School building	\$3,000,000
North Dakota state university	Animal research facility	5,000,000
North Dakota state college of science	Bute gym remodeling	1,700,000
Minot state university	Moore hall renovation	4,000,000
Department of corrections and rehabilitation	Youth correctional center - Gymnasium renovation	1,400,000

The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 1999. This authority of the industrial commission to issue evidences of indebtedness ends June 30, 1999, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and to comply with any covenants entered into before that date.

The university of North Dakota may obtain and utilize any available funds received from federal, public, or private sources which are hereby appropriated to the university of North Dakota to assist in the renovation and addition to the Ed James wing of the medical school building at the university of North Dakota, for the biennium beginning July 1, 1997, and ending June 30, 1999.

North Dakota state university may obtain and utilize federal funds to assist in the construction of an animal research facility at North Dakota state university. There is hereby appropriated to North Dakota state university the sum of \$5,000,000, or so much of the sum as may be necessary, from any federal or other funds that may become available for this project, for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 7. LOCAL RESPONSIBILITY.** Of the total construction authorized by this Act, a total of \$1,300,000 must be available from non-general fund sources to assist in the construction costs or retirement of the evidences of indebtedness, issued for the project costs associated with construction of the projects authorized by this Act:

North Dakota state university project	\$1,000,000
North Dakota state college of science project	300,000

Unless the moneys are available at an earlier date, payment or payments must be made in six equal annual installments, beginning after fiscal year 1999. Prepayment may be made on any or all of these amounts. Payments of local matching amounts must be deposited in a special industrial commission account from which the industrial commission, acting as the North Dakota building authority, shall use the funds in making principal and interest payments.

**SECTION 8. EXEMPTION.** The scholars program, university system contingency fund, student financial assistance grants, professional student exchange program appropriations, Native American scholarships, and operating expenses contained in subdivision 1 of section 1 of chapter 3 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 9. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The North Dakota university system is authorized to adjust or increase full-time equivalent positions as needed, subject to availability of funds. The university system shall report any adjustments to the office of management and budget prior to the submission of the 1999-2001 budget request.

**SECTION 10. UNEXPENDED GENERAL FUNDS - EXCESS INCOME.** Unexpended general fund dollars appropriated to and excess income received by entities listed in section 1 of chapter 3 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations or revenues are available during the biennium beginning July 1, 1997, and ending June 30, 1999, and may be expended, as directed by the university system, for capital repairs and improvements, equipment, and other purposes not requiring an increase in future general fund appropriations.

**SECTION 11. LOCAL FUNDS APPROPRIATED.** The local funds appropriations in section 1 of this Act include funds derived from indirect cost recoveries, special course and program fees, utility sales, building and equipment lease rental, excess property sales, sales and services of educational departments, and

miscellaneous local funds. Any funds from these sources beyond the local funds appropriation included in section 1 of this Act are hereby appropriated for the biennium ending June 30, 1999, and may be spent subject to approval of the North Dakota university system and reported to the budget section of the legislative council.

**SECTION 12. NORTH DAKOTA UNIVERSITY SYSTEM - BOND ISSUANCE - PURPOSES.** The North Dakota university system, in accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$450,000 for the purpose of financing a revenue-producing parking lot, curb, gutter, sidewalks, and ring road in connection with the rural technology center at the university of North Dakota for the biennium beginning July 1, 1997, and ending June 30, 1999. Bonds issued under the provisions of this Act may not become a general obligation of the state of North Dakota.

**SECTION 13. USE OF BOND PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 12, or so much of the sum as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the purpose of constructing a parking lot, curb, gutter, sidewalks, and ring road in connection with the rural technology center at the university of North Dakota for the biennium beginning July 1, 1997, and ending June 30, 1999. Any unexpended balance from the sale of bonds must be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 14. UNEXPENDED FUNDS - EXEMPTION.** Capital improvements funds contained in section 3 of chapter 3 of the 1995 Session Laws for Bute gymnasium at the North Dakota state college of science and capital improvements funds of \$300,000 contained in subdivision 10 of section 1 of chapter 3 of the 1995 Session Laws for old main emergency exits at Minot state university are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 15. BOARD OF HIGHER EDUCATION ALLOCATIONS - AUTHORITY.** The amounts in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by the board of higher education in accordance with the guidelines established in section 16 of this Act. The board shall notify the office of management and budget of the allocation of authority and which line items in the various institutions must be adjusted.

**SECTION 16. ALLOCATIONS - SALARIES AND WAGES - TECHNOLOGY FUNDING - LEGISLATIVE INTENT - DECLARATION OF PURPOSE - GUIDELINES.**

1. It is the intent of the legislative assembly that the state board of higher education consider the following items in making annual budget allocations for salaries and wages and technology from the appropriations contained in subdivision 1 of section 1 of this Act:
  - a. Base salary allocations are to be made for operations based on mission, historical funding, major enrollment changes, campus size, size of physical plant, instructional and research programs, program type, comparisons with peer institutions, special systemwide services, student service levels, and tuition revenues related to each entity.

- b. Salary increase allocations are to be made based on general salary increases, one-time increases, performance-based increases, market increases, and other increases, including workload changes, new responsibilities, and promotions.
    - c. Targeted initiative allocations are to be made for campus reallocation efforts, consolidation of administrative functions across campuses, collaborative academic programs offered among campuses, and for distance education initiatives or innovations in instructional delivery.
    - d. Technology funding allocations are to be made based on historic funding, the higher education computer network strategic plan, base funding for higher education computer network computer center operations, base funding for interactive video network and on-line Dakota information network operations, the system distance learning plan, training needs, classroom technology renovation, technology innovations, and technology-related matching grants. Technology fees paid by students shall remain at the respective institution.
2. The legislative assembly recognizes the constitutional authority of the state board of higher education and also recognizes the role of the legislative assembly in providing adequate funds for the board to carry out its functions and duties. The legislative assembly declares its intent that allocations are not to be used to close any institution of higher education. In addition, the board of higher education may not substantially reorganize the work of any institution except as authorized by the legislative assembly.
3. The state board of higher education shall follow the following guidelines in making the allocations for salaries and wages and technology as provided in this Act:
  - a. Changes in allocations from historic patterns may be made if based upon documented enrollment changes.
  - b. The state board of higher education may provide incentives to institutions for effectuating savings in administrative costs.
  - c. The board may allocate funds to maximize benefits of matching programs and grants from outside sources.
  - d. Notwithstanding guidelines a, b, and c, an institution of higher education shall receive salaries and wages for the 1997-99 biennium that are at least ninety-five percent of the salaries and wages for the 1995-97 biennium.
4. The state board of higher education shall periodically report to the budget section of the legislative council on the allocations made pursuant to this section and shall make recommendations regarding the allocation process for the 1999-2001 biennium.

**SECTION 17. LEGISLATIVE INTENT - STATEWIDE ACCESS TO WORK FORCE TRAINING PROGRAMS - REPORT TO LEGISLATIVE COUNCIL COMMITTEE.** It is the intent of the fifty-fifth legislative assembly that

the North Dakota university system cooperate with other state agencies and private organizations to provide work force training programs in a manner that will allow statewide access to these programs and will improve the system's ability to coordinate and implement work force training programs in anticipation of future work force training needs. The state board for vocational and technical education shall provide, during the 1997-98 interim, periodic reports to the legislative council or its designated committee, on the agency's progress in coordinating statewide access to work force training programs.

**SECTION 18. LEGISLATIVE INTENT - MINOT STATE UNIVERSITY - BOTTINEAU COAL HANDLING PROJECT.** It is the intent of the fifty-fifth legislative assembly that the board of higher education give consideration to allocating \$130,000, from the small campus projects pool of \$500,000, to Minot state university - Bottineau for improvements to the coal handling system.

**SECTION 19. ACCEPTANCE OF GIFTS.** Notwithstanding any other provisions of law, the dean of the university of North Dakota medical school may accept and receive gifts, grants, bequests, and donations that are hereby appropriated for use by the university of North Dakota medical school.

**SECTION 20. AMENDMENT.** Section 54-02-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-02-11. State art gallery - Ownership of art.** The university of North Dakota art galleries, established in 1972 on the university campus in Grand Forks, is hereby designated the North Dakota state art gallery. No general fund moneys may be used to support the North Dakota art gallery now or in the future. Unless clear title is otherwise demonstrable, any work of art, artifact, or artistic property located in the state art gallery is deemed to be the property of the North Dakota museum of art and is subject to disposition by the North Dakota museum of art.

**SECTION 21. AMENDMENT.** Section 54-17.2-23 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-17.2-23. State building authority lease payments - Limitation.** The general fund amount of lease payments for a biennium associated with capital construction projects financed by the industrial commission acting as the state building authority may not exceed the amount equal to a portion of sales, use, and motor vehicle excise tax collections equal to ~~eleven~~ ten percent of an amount, determined by multiplying the quotient of one percent divided by the general sales tax rate that was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-40.2, and 57-40.3.

**SECTION 22. EMERGENCY.** The capital improvements line items contained in subdivisions 7 and 11 of section 1 include \$150,000 for Sudro hall remodeling at North Dakota state university and \$1,500,000 for a student center addition at Minot state university are declared to be emergency measures and those funds are available immediately upon filing of this Act with the secretary of state.

Approved April 17, 1997  
Filed April 17, 1997

## CHAPTER 33

### SENATE BILL NO. 2004

(Appropriations Committee)  
(At the request of the Governor)

### HEALTH DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 23-09-01, 23-09-02.1, 23-09-03, 23-09-05, 23-09-06, 23-09-07, 23-09-08, 23-09-09, 23-09-10, 23-09-11, 23-09-14, 23-09-16, 23-09-17, 23-09-18, 23-09-20.1, 23-09-21, and 23-09-22 of the North Dakota Century Code, relating to the requirements for the operation of a food and lodging establishment; to repeal section 23-09-12 of the North Dakota Century Code, relating to certificates of inspection; to provide an effective date; to provide an expiration date; to provide legislative intent; and to provide for a legislative council study.

#### 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 hereby 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 department of health for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$24,851,601
Operating expenses	31,307,181
Equipment	1,230,440
Capital improvements	28,143
Grants	<u>19,537,146</u>
Total all funds	\$76,954,511
Less estimated income	<u>62,020,071</u>
Total general fund appropriation	\$14,934,440

**SECTION 2. ABANDONED MOTOR VEHICLE DISPOSAL FUND.** The estimated income line item included in section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, to be made available to the state department of health from the abandoned motor vehicle disposal fund under section 39-26-11 for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item included in section 1 of this Act includes \$200,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. DOMESTIC VIOLENCE FUND.** The estimated income line item included in section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, to be made available to the state department of health from the domestic violence fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. ENVIRONMENTAL HEALTH PRACTITIONER LICENSURE FEE ADMINISTRATIVE FUND.** The estimated income line item included in section 1 of this Act includes \$1,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environmental health practitioner licensure fee administrative fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. WASTEWATER OPERATORS CERTIFICATION FUND.** The estimated income line item included in section 1 of this Act includes \$17,800, or so much of the sum as may be necessary, to be made available to the state department of health from the wastewater operators certification fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 7. AMENDMENT.** Section 23-09-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-01. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. "Bakery" means an establishment or any part of an establishment ~~which~~ that manufactures or prepares bread or bread products, pies, cakes, cookies, crackers, doughnuts, or other similar products, or candy, whether plain; chocolate or chocolate coated; mixed with nuts, fruits, or other fillers; covered with chocolate or other coating; and shaped, molded, or formed in various shapes. The term does not include food service establishments nor home cake decorators.
2. "Boardinghouse" includes every building or structure, or any part thereof, with accommodations for four or more boarders, which is kept, used, maintained, advertised, or held out to the public as a place where food is furnished to regular boarders for periods of one week or more. ~~A boardinghouse~~ The term does not include a facility providing personal care directly or through contract as defined in section 23-09.3-01 or 50-24.5-01.
3. "Commissary" means a catering establishment, restaurant, or any other place in which food, containers, or supplies are kept, handled, prepared, packaged, or stored, including a service center or base of operations directly from which mobile food units are supplied or serviced. The term does not include an area or conveyance at a vending machine location used for the temporary storage of packaged food or beverages.
4. "Department" means the state department of health.
5. ~~"Hotel" or "motel" includes every building or structure, or any part thereof, kept, used, maintained, advertised, or held out to the public as a place where sleeping accommodations are furnished to the public for periods of less than one week, whether such accommodations are furnished with or without meals. A hotel or motel does not include a facility providing personal care directly or through contract services as defined in section 23-09.3-01 or 50-24.5-01.~~ "Food establishment" means any fixed restaurant, limited restaurant, coffee shop, cafeteria, short-order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, catering kitchen, delicatessen, bakery, grocery store, meat market, food processing plant, or similar place in which food

or drink is prepared for sale or service to the public on the premises or elsewhere with or without charge.

6. "Food processing plant" means a commercial operation that manufactures, packages, labels, or stores food for human consumption and does not provide food directly to a consumer.
7. "Limited restaurant" means a food service establishment that is restricted to a specific menu as determined by the department or an establishment serving only prepackaged foods, such as frozen pizza and sandwiches, which receive no more than heat treatment and are served directly in the package or on single-serve articles.
- ~~7.~~ 8. "Lodginghouse" "Lodging establishment" includes every building or structure, or any part thereof, with accommodations for four or more persons, which is kept, used, maintained, or held out to the public as a place where sleeping accommodations are furnished to regular roomers for one week or more for pay to four or more transient guests. A lodginghouse The term does not include a facility providing personal care services directly or through contract services as defined in section 23-09.3-01 or 50-24.5-01.
- ~~8.~~ 9. "Mobile food unit" means a vehicle-mounted food service establishment designed to be readily movable.
- ~~9.~~ 10. "Proprietor" includes the person in charge of a restaurant, hotel, boardinghouse, or lodginghouse food or lodging establishment, as the case may be, whether as owner, lessee, manager, or agent.
- ~~10.~~ 11. "Pushcart" means a non-self-propelled vehicle limited to serving nonpotentially hazardous food or commissary-wrapped food maintained at proper temperatures.
- ~~11.~~ 12. "Restaurant" includes every building or other structure, or any part thereof, and all buildings in connection therewith, that are permanently kept, used, maintained, advertised, or held out to the public as a place where meals or lunches are served, but where sleeping accommodations are not furnished and. The term includes a limited restaurant restricted to a specified menu.
- ~~12.~~ 13. "Retail food store" means any establishment or section of an establishment where food and food products are offered to the consumer and intended for offpremise consumption. The term includes a delicatessen that offers prepared food in bulk quantities only. The term does not include an establishment that handles only prepackaged nonpotentially hazardous foods, roadside market that offers only fresh fruits and vegetables for sale, food service establishment, or food and beverage vending machine.
- ~~13.~~ 14. "Retail meat market" means a commercial establishment and buildings or structures connected with it, used to process, store, or display meat or meat products for retail sale to the public for human consumption. The term does not include a meat establishment operating under the federal or state meat inspection program.

44. 15. "Salvage processing facility" means an establishment engaged in the business of reconditioning or by other means salvaging distressed merchandise for human consumption or use.
45. 16. "Temporary food service establishment" means any food service establishment that operates at a fixed location for not more than fourteen consecutive days. The term does not include a nonprofit public-spirited organization or person providing a limited type of food service as defined in chapter 23-09.2.

**SECTION 8. AMENDMENT.** Section 23-09-02.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-02.1. Smoke detection devices or other approved alarm systems - Administrative procedure and judicial review.** Each ~~hotel, motel, and lodginghouse~~ lodging establishment shall install smoke detection devices or other approved alarm systems of a type and in the number approved by the department, in cooperation with the state fire marshal. The department, in cooperation with the state fire marshal, shall adopt reasonable rules ~~and regulations pursuant to chapter 28-32~~ governing the spacing and minimum specifications for approved smoke detection devices or other approved alarm systems. The department and state fire marshal shall provide all reasonable assistance required in complying with the provisions of this section. ~~Any proceeding under this section for issuing or modifying rules and regulations and determining compliance with rules and regulations of the department must be conducted in accordance with chapter 28-32 and appeals may be taken as provided in chapter 28-32.~~

**SECTION 9. AMENDMENT.** Section 23-09-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-03. Exiting requirements.** Every ~~hotel, motel, lodginghouse, or roominghouse~~ lodging establishment constructed in the state shall have adequate exiting as defined by the state building code in chapter 54-21.3 with the following exceptions:

1. All ~~hotels, motels, roominghouses, and lodginghouses~~ lodging establishments in existence at the time of implementation of this section are required to continue with fire escapes previously provided for within this section providing that they are deemed adequate by the local fire authority having approval, or by the state fire marshal's office.
2. If the ~~hotel, motel, roominghouse, or lodginghouse~~ lodging establishment is provided with exterior access balconies connecting the main entrance door of each unit to two stairways remote from each other.

**SECTION 10. AMENDMENT.** Section 23-09-05 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-05. Fire escapes to be kept clear - Notice of location and use of fire escapes required.** Access to fire escapes required under ~~the provisions of~~ this chapter must be kept free and clear at all times of all obstructions of any ~~and every~~ nature. The proprietor of the ~~hotel, motel, lodginghouse, or roominghouse~~ lodging establishment shall provide for adequate exit lighting and exit signs as defined in the state building code, chapter 54-21.3.

**SECTION 11. AMENDMENT.** Section 23-09-06 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-06. Chemical fire extinguishers - Standpipes.** Each ~~hotel, motel, roominghouse, and lodginghouse~~ lodging establishment must be provided with fire extinguishers as defined by the national fire protection association standard number ten in quantities as defined by the state building code and the state fire code. Standpipe and sprinkler systems must be installed as required by the state building code and state fire code. Fire extinguishers, sprinkler systems, and standpipe systems must conform with ~~the adopted rules of~~ adopted by the state fire marshal. A contract for sale or a sale of a fire extinguisher installation in a public building is not enforceable, if the fire extinguisher or extinguishing system is of a type not approved by the state fire marshal for such installation. No fire extinguisher of a type not approved by the state fire marshal may be sold or offered for sale within the state.

**SECTION 12. AMENDMENT.** Section 23-09-07 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-07. Elevator shafts to be protected Lodging establishments with elevators - Protection to prevent spread of fire.** Every hotel which is equipped with a passenger or freight elevator shall cause the shaftway thereof to be enclosed with an iron sheeting as nearly airtight as is practicable and shall provide automatic floor traps at each door in the shaft. Such appliances must be built in the most approved manner for the prevention or spread of fire by means of such shaft. All After July 1, 1997, all new construction of, remodeling of, or additions to ~~hotels, motels, roominghouses, and lodginghouses~~ lodging establishments equipped with passenger or freight elevators must comply with state building code fire protection requirements.

**SECTION 13. AMENDMENT.** Section 23-09-08 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-08. Bolts or locks to be supplied on doors of sleeping rooms.** The doors of all rooms used for sleeping purposes in any ~~hotel, roominghouse, or lodginghouse~~ lodging establishment within this state must be equipped with proper bolts or locks to permit the occupants of such rooms to lock or bolt ~~such the~~ doors securely from within the rooms. Such The locks or bolts must be constructed in a manner ~~which that~~ renders it impossible to unbolt or unlock the door from the outside with a ~~skeleton~~ key or otherwise, or to remove the key therefrom from the outside, while ~~such the~~ room is bolted or locked from within. Any ~~hotel, roominghouse, or lodginghouse~~ lodging establishment proprietor who fails to comply with ~~the provisions of~~ this section is guilty of a class B misdemeanor.

**SECTION 14. AMENDMENT.** Section 23-09-09 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-09. Sanitation and safety.** Every ~~hotel, lodginghouse, boardinghouse, and restaurant~~ food and lodging establishment must be operated with strict regard for the health, safety, and comfort of its patrons. The following sanitary and safety regulations must be followed:

1. ~~Construction, drainage, plumbing.~~ Every ~~hotel, lodginghouse, boardinghouse, and restaurant~~ food and lodging establishment must be well constructed, drained, and provided with plumbing equipment according to established sanitary principles and must be kept free from

effluvia arising from any sewerage, drain, privy, or other source within the control of the proprietor.

2. ~~Lavatories, baths, sinks, drains connected with sewerage.~~ In municipalities in which a system of public water supply and sewerage is maintained, every ~~hotel, lodginghouse, and restaurant~~ food and lodging establishment must be equipped with suitable toilets for the accommodation of its guests, and such toilets must be ventilated and connected by proper means of flushing with the water of said system. All lavatories, bathtubs, sinks, drains, and toilets must be connected with such sewerage system and installed according to all applicable plumbing codes. ~~Separate toilets must be furnished for each sex, each being properly designated.~~
3. ~~Open toilets.~~ When a sewerage system is not available, open toilets must be located not less than forty feet [12.19 meters] from all kitchens, dining rooms, and pantry openings and must be properly cleaned, screened, and disinfected as often as may be necessary to keep them in a sanitary condition. ~~Separate open toilets must be furnished for each sex, each being properly designated.~~
4. ~~Garbage and kitchen refuse.~~ All garbage and kitchen refuse must be kept in watertight containers with tight-fitting covers to prevent decomposition. No dishwater or other substance which is or may become foul or offensive may be thrown upon the ground near any ~~hotel or restaurant building~~ food or lodging establishment.
5. ~~Bedrooms and bedding.~~ All bedrooms must be kept free from ~~vermin insects and rodents,~~ and the bedding in use must be clean and sufficient in quantity and quality. ~~All sheets must be at least eight feet [2.44 meters] in length. In hotels or lodginghouses in which fifty cents or more per night is charged for lodging, the sheets and pillowcases must be changed after the departure of each guest, and it is unlawful to have upon a bed of any such hotel or lodginghouse a mattress of a lower grade than that commonly known to the trade as cotton felt combination. Each mattress must weigh at least thirty-five pounds [15.88 kilograms] unless it is a hair mattress, in which case it must weigh thirty pounds [13.64 kilograms] or more.~~
6. ~~Towels.~~ Each guest in a hotel or lodginghouse must be furnished with at least two towels.
7. ~~Towels in public washroom.~~ Each ~~hotel or restaurant~~ food or lodging establishment shall keep in its main public washroom and available at all hours individual towels or disposable paper towels, a continuous towel system that supplies the user with a clean towel, or a heated air hand drying device for the use of its guests.
8. ~~Cleaning carpets.~~ If bedrooms in a hotel or lodginghouse are carpeted, the carpets must be thoroughly cleaned at least once each year.
9. ~~Fumigation when guest has infectious or contagious disease.~~ In all cases where a patient having an infectious or contagious disease has been confined in a hotel room, the room, upon removal of such patient, must be closed and disinfected. Upon the completion of the disinfection, the

certificate of a reputable physician to that fact must be forwarded to the department.

40. 7. Ventilation. Each room in a hotel or lodginghouse must be properly ventilated by at least one window and by a doorway leading into the hall. Every hotel and lodginghouse must be equipped during the winter months with storm windows installed in such a way that the same may be opened and closed at will. If storm windows having slides thereon are used, such slides must open and close over an opening of not less than ten inches [254 millimeters] by ten inches [254 millimeters]. Bathrooms, toilet rooms, and laundry rooms must be provided with either natural or mechanical ventilation connect directly to the outside.
41. 8. Screens during the summer months. All hotels, restaurants, lodginghouses, and boardinghouses food or lodging establishments shall equip their operable windows during the summer months with screens adequate to keep out flies and mosquitoes insects.
42. 9. Hotel kitchen or dining room not used for sleeping room. Neither the dining room nor kitchen of any hotel or restaurant food or lodging establishment may be used as a sleeping or dressing room by any employee of the hotel or restaurant or by any other person.
43. Disposition of ashes. A metal container must be provided to hold ashes when any ashes are stored in or around a hotel building.
44. Cooking utensils; sanitation of foodstuffs. No rusted tin or iron vessel or utensil may be used in cooking food, and all foodstuffs must be kept in a clean and suitable place, free from dampness and contact with dirty water.
45. Dishes. No dishes that are badly cracked or chipped on the top or side, nor any chipped glasses, may be used in any restaurant or boardinghouse.
46. Sanitation of kitchen. The floors, closets, cupboards, and walls of all kitchens must be kept free from dirt at all times and no dust or grease may be allowed to collect thereon.
47. Common drinking cup prohibited. The use of the common drinking cup in hotels, lodginghouses, dining rooms, or restaurants is prohibited. Water supplies for common drinking use must be kept covered or protected at all times to avoid contamination from dust, dirt, and flies.

**SECTION 15. AMENDMENT.** Section 23-09-10 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-10. Drinking water standards.** Every person operating a hotel, restaurant, lodginghouse, or boardinghouse food or lodging establishment shall see that the drinking water supplied therein is pure and free from disease germs. The source of supply of such water must be far enough removed from open toilet vaults, barns, hogpens, chicken yards, manure piles, or other means of contamination to prevent drainage therefrom to the wells or other sources of supply. The water supply may not contain bacteriological, chemical, or physical impurities which affect, or tend to affect, public health, must meet the bacteriological standards of the United States public health service for waters used upon public or interstate common

carriers, and is subject to examination by the department. If it is unfit for drinking under these requirements, it either must be improved to fulfill the standards or the use thereof must be discontinued obtained from an approved source that is a public water system or a nonpublic water system that is constructed, maintained, and operated according to law.

**SECTION 16. AMENDMENT.** Section 23-09-11 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-11. Inspection - Reports.** Every ~~hotel, restaurant, lodginghouse, and boardinghouse~~ lodging establishment must be inspected at least once every two years by the department. Food establishments must be inspected based on a system of risk categorization which involves types of foods served, the preparation steps these foods require, volume of food, population served, and previous compliance history. Every food establishment must be inspected at least once every two years. The department and its inspectors may enter any such establishment at reasonable hours to determine compliance with this chapter.

**SECTION 17. AMENDMENT.** Section 23-09-14 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-14. State department of health and its inspectors Department to report to state fire marshal.** ~~Each inspector of the state~~ The department of health, on or before the fifth sixth day of each month, shall report to the state fire marshal on all ~~hotels, restaurants, boardinghouses, and lodginghouses~~ food and lodging establishments inspected by the ~~inspector department~~ during the preceding month, paying particular attention in ~~such~~ the report to the violation of any provision of this chapter relating to fire escapes and the installation and maintenance of automatic or other fire alarms and fire extinguishing equipment and to any other condition ~~which~~ that might constitute a fire hazard in the premises so inspected. If no such violation or condition is found, the report must so state.

**SECTION 18. AMENDMENT.** Section 23-09-16 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-16. License - Application.** Before any ~~hotel, lodginghouse, restaurant, or boardinghouse~~ food or lodging establishment may be operated in this state, it must be licensed by the department. ~~A limited restaurant license may be issued by the department to a licensee and a limited restaurant is restricted to a specified menu. The department may adopt rules relating to limited restaurants. The department shall waive the license requirement for any food and lodging establishment licensed by a city or district health unit.~~ Application for license must be made to the department during December of every year, or ~~prior to~~ before the operating of the ~~hotel, restaurant, lodginghouse, or boardinghouse~~ food or lodging establishment, as the case may be. ~~Such~~ The application must be in writing on forms furnished by the department and must be accompanied by the required fee. An additional amount of fifty percent of the license fee must be imposed upon renewal if the license was not renewed before February first following the expiration date.

**SECTION 19. AMENDMENT.** Section 23-09-17 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-17. License fees.** The following annual license fees must be paid to the department by proprietors of ~~hotels, restaurants, boardinghouses, lodginghouses, and other food and food service~~ food and lodging establishments:

1. For a ~~hotel or boardinghouse~~ lodging establishment containing not more than three sleeping rooms, twenty dollars.
2. For a ~~hotel or boardinghouse~~ lodging establishment containing at least four but not more than ten sleeping rooms, thirty dollars.
3. For a ~~hotel or boardinghouse~~ lodging establishment containing more than ten sleeping rooms and not more than twenty sleeping rooms, forty-five dollars.
4. For a ~~hotel or boardinghouse~~ lodging establishment containing more than twenty sleeping rooms and not more than fifty sleeping rooms, sixty dollars.
5. For a ~~hotel or boardinghouse~~ lodging establishment containing fifty-one sleeping rooms or more, eighty dollars.
6. For a restaurant or boardinghouse with a seating capacity of less than seventy-five, ~~thirty-five~~ fifty dollars.
7. For a restaurant or boardinghouse with a seating capacity of seventy-five to not more than one hundred fifty, ~~forty-five~~ sixty-five dollars.
8. For a restaurant or boardinghouse with a seating capacity of more than one hundred fifty, ~~fifty-five~~ seventy dollars.
9. For a limited restaurant, ~~twenty-five~~ forty dollars.
10. For a retail food store, retail meat market, or bakery with not more than five thousand square feet [464.52 square meters], ~~twenty-five~~ forty dollars.
11. For a retail food store, retail meat market, or bakery with more than five thousand square feet [464.52 square meters], ~~forty~~ fifty dollars.
12. For a bar or tavern dispensing beer, liquor, or alcoholic beverages, ~~twenty~~ thirty dollars.
13. For an establishment operating one or more mobile food units or pushcarts, ~~twenty-five~~ forty dollars.
14. For a salvaged food distributor, ~~twenty-five~~ forty dollars.
15. For a food processing plant, not licensed and inspected by any other federal or local health unit, twenty-five dollars.

If a business operates more than one type of establishment on the same premises and under the same management, the department shall issue a single license ~~must be issued by the department~~ stating the types of establishments the business is licensed for and the maximum license fee charged may not exceed seventy-five dollars for an establishment with not more than five thousand square feet [464.52 square meters] and one hundred fifty dollars for an establishment over five thousand square feet [464.52 square meters]. The department shall waive all or a portion of the license fee for any ~~restaurant, limited restaurant, boardinghouse, or other food or food service~~ lodging establishment that is subject to a license fee by a city or district health unit if the local unit's sanitation, safety, and inspection rules are approved by

the department. A reduced license fee in the amount of one-half the applicable license fee must be charged for a new food and lodging establishment beginning operations after July first of each year and for changes in ownership and location of such existing establishments after July first of each year.

**SECTION 20. AMENDMENT.** Section 23-09-17 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-17. License fees.** The following annual license fees must be paid to the department by proprietors of ~~hotels, restaurants, boardinghouses, lodginghouses, and other food and food service~~ food and lodging establishments:

1. For a ~~hotel or lodginghouse~~ lodging establishment containing not more than three sleeping rooms, twenty dollars.
2. For a ~~hotel or lodginghouse~~ lodging establishment containing at least four but not more than ten sleeping rooms, thirty dollars.
3. For a ~~hotel or lodginghouse~~ lodging establishment containing more than ten sleeping rooms and not more than twenty sleeping rooms, forty-five dollars.
4. For a ~~hotel or lodginghouse~~ lodging establishment containing more than twenty sleeping rooms and not more than fifty sleeping rooms, sixty dollars.
5. For a ~~hotel or lodginghouse~~ lodging establishment containing fifty-one sleeping rooms or more, eighty dollars.
6. For a restaurant or boardinghouse with a seating capacity of less than seventy-five, ~~thirty-five~~ sixty dollars.
7. For a restaurant or boardinghouse with a seating capacity of seventy-five to not more than one hundred fifty, ~~forty-five~~ eighty dollars.
8. For a restaurant or boardinghouse with a seating capacity of more than one hundred fifty, ~~fifty-five~~ eighty-five dollars.
9. For a limited restaurant, ~~twenty-five~~ fifty dollars.
10. For a retail food store, retail meat market, or bakery with not more than five thousand square feet [464.52 square meters], ~~twenty-five~~ fifty dollars.
11. For a retail food store, retail meat market, or bakery with more than five thousand square feet [464.52 square meters], ~~forty~~ sixty dollars.
12. For a bar or tavern dispensing beer, liquor, or alcoholic beverages, ~~twenty~~ forty dollars.
13. For an establishment operating one or more mobile food units or pushcarts, ~~twenty-five~~ fifty dollars.
14. For a salvaged food distributor, ~~twenty-five~~ fifty dollars.
15. For a food processing plant, not licensed and inspected by any other federal or local health unit, twenty-five dollars.

If a business operates more than one type of establishment on the same premises and under the same management, ~~the department shall issue a single license ~~must be issued by the department~~ stating the types of establishments the business is licensed for and the maximum license fee charged may not exceed seventy-five dollars for an establishment with not more than five thousand square feet [464.52 square meters] and one hundred fifty dollars for an establishment over five thousand square feet [464.52 square meters].~~ The department shall waive all or a portion of the license fee for any ~~restaurant, limited restaurant, boardinghouse, or other food or food service~~ lodging establishment that is subject to a license fee by a city or district health unit if the local unit's sanitation, safety, and inspection rules are approved by the department. A reduced license fee in the amount of one-half the applicable license fee must be charged for a new food and lodging establishment beginning operations after July first of each year and for changes in ownership and location of such existing establishments after July first of each year.

**SECTION 21. AMENDMENT.** Section 23-09-18 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-18. Failure to comply with ~~provisions of chapter - Notice - How served.~~** Whenever the proprietor of any ~~hotel, restaurant, lodginghouse, or boardinghouse~~ food or lodging establishment fails to comply with this chapter, the proprietor must be given notice of the time within which the proprietor must meet the requirements. The notice must be in writing and delivered personally by an inspector of the department or sent by registered mail.

**SECTION 22. AMENDMENT.** Section 23-09-20.1 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-20.1. Guest record.** A record must be kept in each ~~hotel or lodginghouse~~ lodging establishment in which every individual patronizing ~~such hotel or lodginghouse~~ the lodging establishment shall write ~~his or her~~ that individual's name and address and the number of members in ~~his or her~~ the party who will occupy a room or rooms therein.

**SECTION 23. AMENDMENT.** Section 23-09-21 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-21. Penalty - General.** Any person operating a ~~hotel, restaurant, lodginghouse, or boardinghouse~~ food or lodging establishment in this state, or letting a building used for such business, without first having complied with ~~the provisions of~~ this chapter, is guilty of a class B misdemeanor.

**SECTION 24. AMENDMENT.** Section 23-09-22 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**23-09-22. License canceled.** Whenever the proprietor of a ~~hotel, restaurant, lodginghouse, or boardinghouse~~ food or lodging establishment has been convicted of a violation of ~~any provision of~~ this chapter and for a period of ten days after the conviction fails to comply with any provision ~~thereof of this chapter~~, the department may cancel the proprietor's license.

**SECTION 25. REPEAL.** Section 23-09-12 of the North Dakota Century Code is repealed.

**SECTION 26. EFFECTIVE DATE - EXPIRATION DATE.** Section 19 of this Act becomes effective on January 1, 1998, and expires as of January 1, 1999. Section 20 of this Act becomes effective on January 1, 1999.

**SECTION 27. LEGISLATIVE COUNCIL STUDY - EMERGENCY MEDICAL SERVICES.** The legislative council shall consider studying emergency medical services during the 1997-98 interim. If conducted, the study should include a review of the emergency medical services system, the training and equipment funding needs of emergency medical providers, and the role of emergency medical services in trauma care coordination.

**SECTION 28. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that women, infants, and children food payments be budgeted as a separate line item in the department of health's 1999-2001 budget request.

**SECTION 29. LEGISLATIVE COUNCIL STUDY - RELOCATION OF THE STATE CRIME LABORATORY.** If the legislative council studies the criminal justice system pursuant to Senate Concurrent Resolution No. 4020 during the 1997-98 interim, the study should include a review of the feasibility of placing the administrative responsibility for the state crime laboratory with the office of the attorney general.

Approved April 11, 1997

Filed April 11, 1997

## CHAPTER 34

### SENATE BILL NO. 2005

(Appropriations Committee)  
(At the request of the Governor)

### INDIAN AFFAIRS COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission.

**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 hereby 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 Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$230,410
Operating expenses	33,888
Grants	<u>200,000</u>
Total all funds	\$464,298
Less estimated income	<u>200,394</u>
Total general fund appropriation	\$263,904

**SECTION 2. ALCOHOL AND DRUG EDUCATION PROGRAM - EXPENDITURE - LIMITATIONS.** The moneys appropriated in the grants line item in section 1 of this Act for the Native American alcohol and drug abuse education program may not be spent for the services provided by the tribes to administer the program. The local grant recipient is required to provide match equal to the grant amount with funding or in-kind service.

**SECTION 3. ESTIMATED INCOME.** The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the children's services coordinating committee for the purpose of defraying the expenses related to the Native American youth alcohol and drug abuse education program.

Approved April 8, 1997  
Filed April 8, 1997

## CHAPTER 35

### SENATE BILL NO. 2006 (Appropriations Committee) (At the request of the Governor)

## AERONAUTICS COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the aeronautics commission.

**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 hereby appropriated out of 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 aeronautics commission for the purpose of defraying the expenses of the aeronautics commission, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 546,830
Operating expenses	963,860
Equipment	71,500
Capital improvements	160,000
Grants	<u>12,493,425</u>
Total all funds	\$14,235,615
Less estimated income	<u>13,732,190</u>
Total general fund appropriation	\$ 503,425

Approved March 21, 1997  
Filed March 21, 1997

## CHAPTER 36

### SENATE BILL NO. 2007

(Appropriations Committee)  
(At the request of the Governor)

## VETERANS' HOME AND DEPARTMENT OF VETERANS' AFFAIRS

AN ACT to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; and to provide legislative intent regarding veterans' home management, budgeting, and accounting practices and related budget section reports.

### 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 hereby 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 veterans' home and the department of veterans' affairs for the purpose of defraying their expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

#### VETERANS' HOME

Salaries and wages	\$5,142,487
Operating expenses	1,797,976
Equipment	44,900
Capital improvements	<u>336,700</u>
Total all funds	\$7,322,063
Less estimated income	<u>5,283,559</u>
Total general fund appropriation	\$2,038,504

#### Subdivision 2.

#### VETERANS' AFFAIRS

Salaries and wages	\$ 367,127
Operating expenses	79,611
Equipment	<u>3,000</u>
Total all funds	\$ 449,738
Less estimated income	<u>26,345</u>
Total general fund appropriation	\$ 423,393
Grand total general fund appropriation S.B. 2007	\$2,461,897
Grand total special funds appropriation S.B. 2007	\$5,309,904
Grand total all funds appropriation S.B. 2007	\$7,771,801

**SECTION 2. APPROPRIATION.** The estimated income line item included in subdivision 1 of this Act includes \$577,866, or so much of the sum as may be necessary, to be made available to the veterans' home operating fund from the veterans' home improvement fund.

**SECTION 3. VETERANS' HOME MANAGEMENT, BUDGETING, AND ACCOUNTING PRACTICES - BUDGET SECTION REPORTING.** The commandant of the veterans' home shall improve the veterans' home's management, budget, and accounting functions including those identified in the veterans' home audit report for the fiscal year ending June 30, 1996, and by the legislative audit and fiscal review committee, including budgeting procedures that reduce frequent line item transfers and requests for additional funding authority approvals by the emergency commission, a physical inventory of fixed assets, appropriate bidding for improvement projects, and proper accounting for items not included in the statewide accounting management information system. The commandant shall develop a corrective plan of action to address the improvements and periodically report to the budget section regarding the development of the corrective plan of action and its implementation.

Approved April 8, 1997

Filed April 8, 1997

**CHAPTER 37****SENATE BILL NO. 2008**

(Appropriations Committee)  
(At the request of the Governor)

**BANKING AND FINANCIAL INSTITUTIONS**

AN ACT to provide an appropriation for defraying the expenses of the department of banking and financial institutions.

**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 hereby appropriated out of any moneys in the financial institutions regulatory fund in the state treasury, not otherwise appropriated, to the department of banking and financial institutions for the purpose of defraying the expenses of the department of banking and financial institutions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$2,242,290
Operating expenses	484,239
Equipment	21,494
Contingency - banking and financial institutions	20,000
Total appropriation from the financial institutions regulatory fund	<u>\$2,768,023</u>

Approved March 21, 1997

Filed March 21, 1997

## CHAPTER 38

### SENATE BILL NO. 2009 (Appropriations Committee) (At the request of the Governor)

### STATE FAIR ASSOCIATION

AN ACT to provide an appropriation for defraying the expenses of the state fair association; and to provide a statement of legislative intent.

**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 hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Capital improvements	\$210,000
Premiums	280,136
Youth premiums	<u>39,864</u>
Total general fund appropriation	<u>\$530,000</u>

**SECTION 2. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the state fair association use eighty percent of the funds appropriated in the premiums line item in section 1 of this Act for paying premiums to youth exhibitors and twenty percent of the funds appropriated in the premiums line item for paying premiums to adult exhibitors for the biennium beginning July 1, 1997, and ending June 30, 1999.

Approved April 8, 1997  
Filed April 8, 1997

## CHAPTER 39

### SENATE BILL NO. 2010

(Appropriations Committee)  
(At the request of the Governor)

### COUNCIL ON THE ARTS

AN ACT to provide an appropriation for defraying the expenses of the council on the arts and an appropriation of funds from the cultural endowment fund.

**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 hereby 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 council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 356,052
Operating expenses	187,053
Equipment	3,500
Grants	<u>1,028,000</u>
Total all funds	\$1,574,605
Less estimated income	<u>801,304</u>
Total general fund appropriation	\$ 773,301

**SECTION 2. APPROPRIATION.** All income from the cultural endowment fund is hereby appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. ADDITIONAL INCOME.** All income of the council on the arts in excess of the estimated income appropriated in section 1 of this Act is hereby appropriated to the council on the arts for the biennium beginning July 1, 1997, and ending June 30, 1999, and may be spent only upon authorization of the emergency commission.

Approved March 19, 1997  
Filed March 19, 1997

## CHAPTER 40

### SENATE BILL NO. 2011 (Appropriations Committee) (At the request of the Governor)

### HIGHWAY PATROL

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to provide for mobile data terminals; 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 hereby 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 highway patrol for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Administration	\$ 1,871,111
Field operations	20,763,330
Law enforcement training academy	889,853
Comprehensive public communications plan	<u>250,000</u>
Total all funds appropriation	\$23,774,294
Less estimated income	<u>23,649,294</u>
Total general fund appropriation	\$ 125,000

**SECTION 2. SPECIAL FUNDS TRANSFER.** The total special funds appropriation line item in section 1 of this Act includes the sum of \$21,983,552, or so much of the sum as may be necessary, from the state highway fund that may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. PAYMENTS TO HIGHWAY PATROL OFFICERS.** Each patrol officer of the state highway patrol shall receive from funds appropriated in section 1 of this Act an amount not to exceed one hundred seventy dollars per month for the biennium beginning July 1, 1997, and ending June 30, 1999. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid without the presentation of receipts or other memorandums at the time and in the same manner as salaries of members of the highway patrol are paid.

**SECTION 4. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the highway patrol may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 5. MOBILE DATA TERMINALS.** Of the amount included in the field patrol line item in section 1 of this Act, \$585,000 provides for the purchase

of mobile data terminals for patrol cars. These funds may not be expended prior to the completion of the mobile data communications plan.

**SECTION 6. APPROPRIATION.** There is hereby appropriated from special funds, derived from federal funds, the sum of \$109,000, or so much of the sum as may be necessary, to the highway patrol for the purpose of motor carrier research and overtime speed enforcement for the period beginning with the effective day of this Act and ending June 30, 1997.

**SECTION 7. ADDITIONAL INFORMATION.** Included in the program-based performance budget appropriation in section 1 of this Act is anticipated funding for the following: \$17,925,294 for salaries and wages; \$4,637,000 for operating expenses; \$755,000 for equipment; \$32,000 for capital improvements; and \$425,000 for grants. These amounts are provided for informational purposes only.

**SECTION 8. EMERGENCY.** The comprehensive public communications line item in section 1 of this Act and section 6 of this Act are declared to be an emergency measure.

Approved April 8, 1997

Filed April 8, 1997

## CHAPTER 41

### SENATE BILL NO. 2012 (Appropriations Committee) (At the request of the Governor)

## DEPARTMENT OF TRANSPORTATION

AN ACT to make an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; to limit expenditures on certain streets; to create and enact a new section to chapter 24-02 of the North Dakota Century Code, relating to cooperating with other states; to amend and reenact subsection 3 of section 24-02-37, sections 24-02-37.1, 39-12-02, and 54-06-09 of the North Dakota Century Code, relating to the special road fund, special trip permits, and state employee vehicle usage; to repeal section 24-02-37.1 of the North Dakota Century Code, relating to the special road advisory committee; and to provide an effective date.

#### **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 hereby appropriated out of any moneys from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the department of transportation for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Administration	\$ 22,383,770
Motor vehicle	6,625,312
Driver's license	8,950,358
Highways	384,730,803
Fleet services	<u>30,662,535</u>
Total all funds	<u>\$453,352,778</u>

**SECTION 2. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the director of the department of transportation may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 3. TRANSFER.** There is hereby transferred to the state highway fund in the state treasury, out of motor vehicle excise tax revenue, collected pursuant to section 57-40.3-02, the sum of \$282,200 for the purpose of reimbursing the department of transportation for expenses incurred in the collection of motor vehicle excise tax.

**SECTION 4. LEGISLATIVE INTENT - BUDGET SECTION REPORT.** It is the intent of the legislative assembly that the department of transportation evaluate the continued use of its 1978 model cessna airplane. The evaluation should include an analysis of the costs of continued maintenance and repair of the airplane and options for replacement of the airplane which may include selling or trading the

airplane and leasing or purchasing a new or used airplane. The department shall present a report on its evaluation to the budget section by November 1998.

**SECTION 5. EXPENDITURES FOR SCHAFFER STREET LIMITED.** No funds from any source may be used to widen Schaffer street in the city of Bismarck. However, funds may be used to maintain or improve the street.

**SECTION 6.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

**Intergovernmental cooperation - Infrastructure bank.** The director may contract and cooperate with other states, with political subdivisions of this state, and with the United States government to establish, maintain, and operate a multistate infrastructure bank pursuant to section 350 of the National Highway System Designation Act of 1995 [Pub. L. 104-59; 109 Stat. 568, 618-622] and the Department of Transportation and Related Agencies Appropriations Act of 1997 [Pub. L. 104-205, Title I]. The director may transfer and commit to the multistate infrastructure bank state and federal-aid highway funds, up to a maximum of ten percent of eligible federal-aid highway funds, and the required state matching funds. All funds and revenue allocated or generated under this section must be used for purposes of funding eligible projects as determined by agreement of the members of the multistate infrastructure bank and as authorized by state and federal law.

**SECTION 7. AMENDMENT.** Subsection 3 of section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

3. The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. ~~The state treasurer shall deposit any~~ Any income derived from the deposit of the moneys in a special fund in the state treasury known as the special road must be retained in the state highway fund. ~~Moneys, and any earnings on the moneys, in the special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the commissioner with the advice of the special road advisory committee. Requests by political subdivisions or state agencies for funding from the special road fund must be made to the commissioner on forms designated by the commissioner. The commissioner may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund.~~

<sup>9</sup> **SECTION 8. AMENDMENT.** Section 24-02-37.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**24-02-37.1. Special road advisory committee - Special road fund.** The special road advisory committee consists of one member of the senate transportation committee and one member of the senate appropriations committee appointed by the chairman of the legislative council and one member of the house of

---

<sup>9</sup> Section 24-02-37.1 was repealed by section 11 of Senate Bill No. 2012, chapter 41, and also amended by section 15 of Senate Bill No. 2052, chapter 432.

representatives transportation committee and one member of the house of representatives appropriations committee appointed by the chairman of the legislative council and also the director of the game and fish department, the director of the parks and recreation department, the director of the department of economic development and finance, and the commissioner.

The special road fund is a special fund in the state treasury that consists of moneys deposited in the fund through June 30, 1997. Moneys, and any earnings on the moneys, in the special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the commissioner with the advice of the special road advisory committee. Requests by political subdivisions or state agencies for funding from the special road fund must be made to the commissioner on forms designated by the commissioner. The commissioner may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. The state treasurer shall transfer any moneys remaining in the fund on June 30, 1999, to the state highway fund.

The committee shall meet at the call of the commissioner, who is chairman of the committee, to review requests for funding from the special road fund and to advise the commissioner regarding funding requested projects. The commissioner shall provide staff services to the committee. All final decisions regarding funding requested projects are in the sole discretion of the commissioner. The members of the commission who are members of the legislative assembly must be compensated by the department, from moneys appropriated from the special road fund, for attendance at committee meetings at the rate provided in section 54-35-10 and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

**SECTION 9. AMENDMENT.** Section 39-12-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**39-12-02. Special permits for vehicles of excessive size and weight issued - Contents - Fees.**

1. The highway patrol and local authorities in their respective jurisdictions, upon application and payment of the appropriate charges and for good cause shown, may issue a special written permit authorizing the applicant to operate or move a vehicle, mobile home or modular unit of a size or weight exceeding the maximum specified by this chapter, upon a highway under the jurisdiction of the body granting the permit. Every ~~such~~ permit may designate the route to be traversed, and may contain any other restrictions or conditions deemed necessary by the body granting ~~such~~ the permit. Every ~~such~~ permit must be carried in the vehicle to which it refers and must be opened to inspection by any peace officer or agent of the superintendent of the highway patrol unless prior approval is obtained from the highway patrol. It is a violation of ~~the provisions of~~ this chapter for any person to violate any of the terms or conditions of ~~such special~~ the permit. All permits for the movement of excessive size and weight on state highways must be single trips only. The highway patrol and local authorities may adopt rules governing the movement of oversize and overweight vehicles.
2. An appropriate charge must be made for each permit and all funds collected hereunder by the highway patrol must be deposited in the state

highway fund and are hereby appropriated for use in the construction and maintenance of highways and operating expenses of the department of transportation. ~~For each permit for the movement of a mobile home or modular unit, the fee is ten dollars.~~ Official or publicly owned vehicles may not be required to pay charges for permits. The minimum fee for selected charges is as follows:

- a. The fee for a seasonal permit, harvest and wintertime, is fifty dollars per month.
  - b. The fee for a non-self-issuing interstate permit is ten dollars per trip.
  - c. The fee for special mobile equipment is twenty-five dollars per trip.
  - d. The fee for engineering is twenty-five dollars per trip.
  - e. The fee for filing a permit is five dollars per trip.
  - f. The fee for a single trip permit is twenty dollars per trip.
3. The director of tax equalization of the county of destination must be furnished a copy of the permit for the movement of an overdimensional mobile home.

<sup>10</sup> **SECTION 10. AMENDMENT.** Section 54-06-09 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-06-09. Mileage and travel expense of state officers and employees.**

1. State officials, whether elective or appointive, and their deputies, assistants, and clerks, or other state employees, entitled by law to be reimbursed for mileage or travel expense, must be allowed and paid for mileage and travel expense the following amounts:
  - a. The sum of twenty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle or twenty-seven cents per mile [1.61 kilometers] if the travel is by truck, the use of which is required by the employing subdivision, agency, bureau, board, or commission. The sum of thirty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by private airplane. Mileage by private aircraft must be computed by actual air mileage when only one state employee or official is traveling; if two or more state employees or officials are traveling by private aircraft, the actual mileage must be based on the road mileage between the geographical points. Reimbursement for private airplane travel must be calculated as follows:

---

<sup>10</sup> Section 54-06-09 was also amended by section 2 of Senate Bill No. 2056, chapter 435.

- a.
    - (1) If reimbursement is for one properly authorized and reimbursable passenger, reimbursement must be paid on a per-mile basis as provided in this subsection.
    - (2) If reimbursement is claimed for a chartered private aircraft, reimbursement may not exceed the cost of regular coach fare on a commercial flight, if one is scheduled between the point of departure, point of destination, and return, for each properly authorized and reimbursable passenger on the charter flight; or, where there is no such regularly scheduled commercial flight, the actual cost of the charter.
  - b. Except as provided in subdivision a, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the amount actually and necessarily expended therefor in the performance of official duties.
2. No reimbursement may be paid for leased private aircraft, except for leased or rented private aircraft from a recognized fixed base aviation operator who is in the business of leasing and renting private aircraft and is located on an airport open for public use.
  3. If only one person ~~shall engage~~ engages in such travel in a motor vehicle exceeding at any geographical point one hundred fifty miles [241.40 kilometers] beyond the borders of this state, reimbursement must be limited to eighteen cents per mile [1.61 kilometers] for the out-of-state portion of the travel beyond the first one hundred fifty miles [241.40 kilometers].
  4. An official, deputy, assistant, clerk, or other employee, when required to travel by motor vehicle or truck in the performance of official duty, shall use a state-owned vehicle whenever possible unless exempted under section 24-02-03.3. When official travel is by motor vehicle or airplane owned by the state or by any department or political subdivision thereof, no allowance may be made or paid for such mileage.
2. ~~Except as provided in subsection 4, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the amount actually and necessarily expended therefor in the performance of official duties.~~
3. 5. Notwithstanding the other provisions of this section, state employees permanently located outside the state or on assignments outside the state for an indefinite period of time, exceeding at least thirty consecutive days, must be allowed and paid twenty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle, and the one-hundred-fifty-mile [241.40-kilometer] restriction imposed by subsection 4 3 does not apply.
  6. Before any allowance for any such mileage or travel expenses may be made, the official, deputy, assistant, clerk, or other employee shall file with the employee's department, institution, board, commission, or agency an itemized statement showing the mileage traveled, the hour of departure and return, the days when and how traveled, the purpose

thereof, and such other information and documentation as may be prescribed by rule of the employee's department, institution, board, commission, or agency. The statement must be submitted to the employee's department, institution, board, commission, or agency for approval and must be paid only when approved by the employee's department, institution, board, commission, or agency.

<sup>11</sup> **SECTION 11. REPEAL.** Section 24-02-37.1 of the 1995 Supplement to the North Dakota Century Code is repealed.

**SECTION 12. EFFECTIVE DATE.** Section 11 of this Act becomes effective on July 1, 1999.

Approved April 10, 1997  
Filed April 10, 1997

---

<sup>11</sup> Section 24-02-37.1 was amended by section 8 of Senate Bill No. 2012, chapter 41, and amended by section 15 of Senate Bill No. 2052, chapter 432.

## CHAPTER 42

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

## COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for a coal development impact loan to Oliver County; and to amend and reenact section 15-03-04 of the North Dakota Century Code, relating to investments by the board of university and school lands.

#### **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 hereby appropriated from special funds derived from the state lands maintenance fund and the lands and minerals trust fund in the state treasury, not otherwise appropriated, and from other income 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, 1997, and ending June 30, 1999, as follows:

Assets management	\$2,463,790
Energy development impact office	<u>5,000,000</u>
Total special funds	\$7,463,790

**SECTION 2. OIL AND GAS IMPACT GRANT FUND.** The amount of \$5,000,000, or so much of the amount as may be necessary, included in the total special funds appropriated in section 1 of this Act may be spent from the oil and gas impact grant fund by the commissioner of university and school lands for the purpose of providing oil and gas development impact grants and the administration of the oil and gas development impact grant program for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. GRANTS.** Section 54-44.1-11 does not apply to appropriations made for oil impact grants in section 1 of this Act nor to the appropriation for coal impact grants in chapter 733 of the 1989 Session Laws.

**SECTION 4. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the commissioner of university and school lands may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 5. COAL DEVELOPMENT IMPACT LOAN TO OLIVER COUNTY.** During the 1997-99 biennium, the board of university and school lands shall make a loan, pursuant to section 57-62-03, of up to \$300,000 at an annual interest rate of two percent, to Oliver County for the purpose of providing funding

for road improvements on the public road from state highway 25 to the Baukol-Noonan, Incorporated, facility.

**SECTION 6. AMENDMENT.** Section 15-03-04 of the North Dakota Century Code is amended and reenacted as follows:

**15-03-04. Legal investments.** Subject to the provisions of section 15-03-05, the board of university and school lands shall apply the prudent investor rule in investing the permanent funds under its control. The "prudent investor rule" means that in making investments the board shall exercise the same judgment and care, under the circumstances then prevailing and limitations of North Dakota and federal law, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. Notwithstanding any investments made before to July 1, 1997, the board may not use any funds entrusted to it to purchase, as sole owner, commercial or residential real property in North Dakota without prior approval of the legislative assembly or the budget section of the legislative council.

Approved April 9, 1997

Filed April 10, 1997

## CHAPTER 43

### SENATE BILL NO. 2014 (Appropriations Committee) (At the request of the Governor)

#### CHILDREN'S SERVICES COORDINATING COMMITTEE

AN ACT to provide an appropriation for defraying the expenses of the children's services coordinating committee; to create and enact a new section to chapter 54-56 of the North Dakota Century Code, relating to regional and tribal children's services coordinating committees; to amend and reenact sections 54-56-01, 54-56-03, and 54-56-04 of the North Dakota Century Code, relating to the membership and duties of the children's services coordinating committee; and to repeal section 54-56-05 of the North Dakota Century Code, relating to the children's services coordinating committee receiving and spending funds.

#### 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 hereby appropriated from special funds derived from federal funds and other income to the children's services coordinating committee for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 66,243
Operating expenses	83,757
Grants	<u>5,479,756</u>
Total special funds appropriation	\$5,629,756

**SECTION 2. GRANTS.** Of the \$5,479,756 appropriated in the grants line item in section 1 of this Act, the children's services coordinating committee shall provide a grant of \$150,000 to the partnership project that is providing services to children with serious emotional disorders in human service regions number two (Minot), five (Fargo), and seven (Bismarck) during the biennium beginning July 1, 1997, and ending June 30, 1999. Any other statewide grants distributed by the committee, unless specifically approved by the legislative assembly, are subject to budget section approval.

**SECTION 3. ADDITIONAL INCOME.** All income of the children's services coordinating committee in excess of the estimated income line item appropriated in section 1 of this Act is hereby appropriated to the children's services coordinating committee for the biennium beginning July 1, 1997, and ending June 30, 1999, and may be spent only upon authorization of the emergency commission.

**SECTION 4. LEGISLATIVE INTENT - FUNCTION OF REGIONAL AND TRIBAL CHILDREN'S SERVICES COORDINATING COMMITTEES.** It is the intent of the legislative assembly that each regional and tribal children's services coordinating committee function as a regional planning committee to monitor and coordinate children's services in each region and that the regional and tribal children's services coordinating committees do not directly provide services or programs.

**SECTION 5. LEGISLATIVE INTENT - PARTICIPATING ENTITIES.** It is the intent of the legislative assembly that the department of human services inform eligible organizations that are not currently participating in "refinancing" activities of the benefits and the opportunity to participate in the program for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. LEGISLATIVE INTENT - REGIONAL CONSOLIDATION - REPORT TO BUDGET SECTION.** It is the intent of the legislative assembly that because of relatively high administrative expenses as compared to income of some regional and tribal children's services coordinating committees, the Children's Services Coordinating Committee conduct an analysis and develop a plan to reduce, by consolidation, the administrative costs of the regional and tribal committees during the biennium beginning July 1, 1997, and ending June 30, 1999. The committee shall present its report and recommendations to the budget section by October 1, 1998.

**SECTION 7. CHILDREN'S PROGRAMS - ACTION IF FEDERAL FUNDS ARE DISCONTINUED.** A state agency administering a program affecting children which is anticipated to receive federal funds for the program for the 1995-97 biennium shall discontinue providing services of the program to the extent that federal funds are not available for the program for the biennium beginning July 1, 1997, and ending June 30, 1999, unless the legislative assembly has specifically identified funds to replace the federal funds.

**SECTION 8. FEDERAL FUND ALLOCATIONS.** Of the \$6,000,000 of federal funds estimated to be generated as a result of participating entities claiming federal administrative cost reimbursements through the department of human services, the following allocations are made for the biennium beginning July 1, 1997, and ending June 30, 1999:

AGENCY/ORGANIZATION	ALLOCATION
Department of human services	10 percent
Children's services coordinating committee - Administration	2.5 percent
Children's services coordinating committee - Grants to regional and tribal children's services coordinating committees for administrative costs	\$1,080,000 (estimated at 18 percent)
Regional and tribal children's services coordinating committees - Grants, including those to participating entities	62 percent, includes 20 percent that is returned to participating entities
Children's services coordinating committee - Statewide grants	7.5 percent

If less than \$6,000,000 is generated as a result of participating entities claiming federal administrative cost reimbursements for the 1997-99 biennium, the children's services coordinating committee shall proportionately reduce the percentage allocations for statewide grants and regional and tribal children's services coordinating committee grants to generate the funds necessary to provide a total of \$1,080,000 for the 1997-99 biennium for grants to regional and tribal committees for administrative costs under this section. Any federal funds received by the state as a result of participating entities claiming federal administrative cost reimbursements through the department of human services in excess of \$6,000,000 for the biennium beginning July 1, 1997, and ending June 30, 1999, must be distributed, subject to emergency commission approval, as follows:

AGENCY/ORGANIZATION	ALLOCATION
Regional and tribal children's services coordinating committees - Grants, including those to participating entities	90 percent, includes 20 percent that is returned to participating entities
Children's services coordinating committee - Statewide grants	10 percent

<sup>12</sup> **SECTION 9. AMENDMENT.** Section 54-56-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-56-01. Children's services coordinating committee - Membership.** The children's services coordinating committee ~~is hereby established and~~ consists of the governor or a designee of the governor, ~~the attorney general or a designee of the attorney general, the commissioner of the board of higher education or a designee of the commissioner,~~ the superintendent of public instruction, a representative of juvenile courts appointed by the chief justice of the supreme court, the executive director of the department of human services, the state health officer, ~~the executive director of job service North Dakota or a designee of the executive director,~~ the director of the department of corrections and rehabilitation, or a designee of the director of the department of corrections and rehabilitation, ~~the director of the office of management and budget, or a designee of the director of the office of management and budget,~~ the director of vocational and technical education, ~~the chairperson of the governor's committee on children and youth or that chairperson's designee,~~ and a representative of the Indian affairs commission; a designee of the chief justice; ~~and a member at large to be appointed by the governor.~~ The governor or the governor's designee shall act as chairperson.

**SECTION 10. AMENDMENT.** Section 54-56-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-56-03. Functions.**

1. The committee ~~shall~~ may:
  - a. Plan for and coordinate delivery of services to children and adolescents who are abused, neglected, emotionally disturbed, mentally ill, medically disabled, runaways, homeless, deprived, school dropouts, school-age parents, chemical or alcohol abusers, unruly, or delinquent.
  - b. ~~Foster preventive strategies and early intervention to strengthen families in their capacity to parent children~~ primary prevention ideas and strategies and present those ideas and strategies to regional or tribal children's services coordinating committees.
2. The committee ~~may coordinate, sponsor, or oversee interagency or intergovernmental projects and programs for children, or projects and programs that require the participation of both governmental and private entities~~ shall:

---

<sup>12</sup> Section 54-56-01 was also amended by section 39 of Senate Bill No. 2046, chapter 51.

- a. Distribute funds due to regional or tribal committees within five days of receiving the funds.
- b. Distribute its grant funds appropriated or authorized by the legislative assembly to children's services organizations and programs, subject to specific approval by the legislative assembly or the budget section. No funds, grants, gifts, or services of an organization receiving funds distributed by the committee may be used for the purposes of direct provision of contraception services, abortion, or abortion referrals to minors.

**SECTION 11. AMENDMENT.** Section 54-56-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-56-04. Charter public corporations - Duties.** The children's services coordinating committee may ~~charter public corporations or~~ designate up to twelve organizations to serve as regional and tribal children's services coordinating committees to ~~implement programs for the classes of children and programs described in section 54-56-03~~ distribute grants received from the children's services coordinating committee. The committee shall prescribe conditions for the creation, continuance, and duration of those ~~corporations or~~ designations. The committee shall ~~discontinue the designation of regional and tribal committees if grant funds are not available for distribution to the regional and tribal committees.~~

**SECTION 12.** A new section to chapter 54-56 of the North Dakota Century Code is created and enacted as follows:

**Regional or tribal children's services coordinating committee - Functions.** A regional or tribal children's services coordinating committee, if established, must be composed of community volunteers and must maintain its own records. To foster and nurture the broadest base of community support and participation, at least one-third of regional or tribal committee members must be from the private sector. A regional or tribal committee shall:

1. Recruit local organizations to become participating entities to claim federal administrative cost reimbursements through the department of human services.
2. Expend administrative funding received from the state children's services coordinating committee only for costs associated with salaries and benefits, mileage and travel, meals, conferences and workshops, contract services, telephone, office supplies, marketing, printing, postage, dues and subscriptions, and room rent.
3. Reimburse a committee member only for expenses that are not reimbursed by the organization or entity that the member is representing on the regional or tribal committee.
4. Submit all claims received from its participating entities claiming federal administrative cost reimbursements to the department of human services within ninety days of the end of each calendar quarter.
5. Distribute twenty percent of the federal funds generated as a result of a participating entity claiming federal administrative cost reimbursements through the department of human services to the participating entity that generated the federal administrative cost reimbursement.

6. Distribute funds due to participating entities within twenty days of receiving the funds.

A regional or tribal committee may not maintain an unobligated fund balance, excluding income received during the final thirty days of each fiscal year, which exceeds fifty thousand dollars or twenty percent of annual gross income, whichever is less, at the end of each fiscal year.

**SECTION 13. REPEAL.** Section 54-56-05 of the North Dakota Century Code is repealed.

Approved April 10, 1997

Filed April 10, 1997

## CHAPTER 44

### SENATE BILL NO. 2015

(Appropriations Committee)  
(At the request of the Governor)

### INDUSTRIAL COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the state industrial commission; to provide a continuing appropriation; to authorize transfers; to create and enact section 54-17.4-09.1 of the North Dakota Century Code, relating to a fossil excavation and restoration fund; 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 hereby 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 their various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### INDUSTRIAL COMMISSION

Salaries and wages	\$ 5,329,672
Operating expenses	1,592,389
Equipment	118,600
Grants	13,430,280
Administrative contingency	10,000
Bond payments	<u>16,562,392</u>
Total all funds	\$37,043,333
Less estimated income	<u>16,348,169</u>
Total general fund appropriation	\$20,695,164

#### Subdivision 2.

##### BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$13,461,681
Operating expenses	10,259,629
Equipment	1,454,000
Capital improvements	270,000
Contingency	<u>485,339</u>
Total appropriation from Bank of North Dakota fund	\$25,930,649

#### Subdivision 3.

##### BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

Partnership in assisting community expansion fund	\$ 4,600,000
Agriculture partnership in assisting community expansion fund	397,100
Beginning farmer	<u>921,500</u>
Total general fund appropriation	\$ 5,918,600

#### Subdivision 4.

## MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$ 12,007,663
Operating expenses	7,134,539
Contingency	250,000
Agriculture promotion	50,000
Total appropriation from mill and elevator fund	<u>\$ 19,442,202</u>

## Subdivision 5.

## HOUSING FINANCE AGENCY

Salaries and wages	\$ 2,406,081
Operating expenses	1,351,816
Equipment	75,000
Grants	22,014,860
Contingency	100,000
Total appropriation from housing finance agency fund	<u>\$ 25,947,757</u>
Grand total general fund appropriation S.B. 2015	\$ 26,613,764
Grand total special funds appropriation S.B. 2015	\$ 87,668,777
Grand total all funds appropriation S.B. 2015	\$114,282,541

**SECTION 2. APPROPRIATION.** In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 1 of this Act, there is hereby appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. APPROPRIATION.** In addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of this Act, there is hereby appropriated, with the approval of the emergency commission, funds which may become available to the commission from bonds authorized by law to be issued by the industrial commission under chapters 4-36 and 54-17.3 and section 54-17-25, for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. TRANSFER.** The sum of \$65,340, 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, is from the North Dakota mill and elevator association. The moneys must be transferred during the biennium beginning July 1, 1997, and ending June 30, 1999, upon order of the industrial commission.

**SECTION 5. TRANSFER.** The sum of \$85,226, 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, is from the accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred during the biennium beginning July 1, 1997, and ending June 30, 1999, upon order of the industrial commission.

**SECTION 6. TRANSFER.** The sum of \$56,817, 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, is from the housing finance agency fund. The moneys must be transferred during the biennium beginning July 1, 1997, and ending June 30, 1999, upon order of the industrial commission.

**SECTION 7. TRANSFER.** The sum of \$19,886, 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, is from the revenues of the municipal bond bank. The available moneys must be transferred during the biennium beginning July 1, 1997, and ending June 30, 1999, upon order of the industrial commission.

**SECTION 8. INCOME AUTHORIZATION - STUDENT LOAN TRUST.**

There is hereby authorized the receipt of fees by the industrial commission in the sum of \$56,817, or so much of the sum as is owed, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, from the student loan trust for administrative services rendered by the industrial commission to the extent permitted by sections 54-17-24 and 54-17-25. The fees must be received during the biennium beginning July 1, 1997, and ending June 30, 1999, upon order of the industrial commission.

**SECTION 9. TRANSFER.** The industrial commission shall transfer to the general fund in the state treasury, the sum of \$2,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 10. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount of \$400,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line items in subdivision 1 of section 1 of this Act, is 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 jobs or that will lead to increased development of lignite and its products and create new 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 externality studies and activities for the lignite industry and the state in externality proceedings or funding for the development and implementation of a regional marketing plan. Moneys not needed for the purposes stated herein are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

**SECTION 11. LEGISLATIVE INTENT - LEASE PAYMENTS.** The amount of \$16,562,392 included in subdivision 1 of section 1 of this Act in the bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 1997, and ending June 30, 1999:

Higher education institutions	\$ 1,090,590
General fund	14,688,383
Job service North Dakota	361,290
Federal portion for southeast human service center	154,507
Veterans' home improvement fund	<u>267,622</u>
Total	\$16,562,392

**SECTION 12.** Section 54-17.4-09.1 of the North Dakota Century Code is created and enacted as follows:

**54-17.4-09.1. Fossil excavation and restoration fund - Continuing appropriation.** A special fund known as the fossil excavation and restoration fund must be maintained in the state treasury. Funds received by the geological survey for the excavation and restoration of fossils must be deposited in the fund. All moneys in the fund are appropriated on a continuing basis to the geological survey for the purpose of excavation and restoration of fossils. The provisions of section 54-27-10 do not apply to appropriations from this fund.

**SECTION 13. APPROPRIATION - TRANSFER.** The funds appropriated by 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 established by section 6-09.14-02; the agricultural partnership in assisting community expansion fund established by section 6-09.13-04; and the beginning farmer loan fund established by section 6-09-15.5, in the amounts set out in that subdivision. The Bank of North Dakota may not be construed to be a general fund agency as a result of the appropriation made by subdivision 3 of section 1 of this Act.

**SECTION 14. EMERGENCY.** Section 12 of this Act is declared to be an emergency measure.

Approved April 10, 1997  
Filed April 10, 1997

## CHAPTER 45

### SENATE BILL NO. 2016

(Appropriations Committee)  
(At the request of the Governor)

## DEPARTMENT OF CORRECTIONS AND REHABILITATION

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to create and enact a new section to chapter 15-40.1 and a new subsection to section 15-40.2-08 of the North Dakota Century Code, relating to payment of tuition in cases of residential placements and to the transfer of funds appropriated for foundation aid; to provide legislative intent; to propose a legislative council study; to provide a contingent payment; to provide an effective date; 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 hereby 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 department of corrections and rehabilitation for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

#### Subdivision 1.

##### CENTRAL OFFICE

Salaries and wages		\$ 798,494
Operating expenses		73,713
Equipment		4,400
Total all funds		\$ 876,607
Less estimated income		98,899
Total general fund appropriation		\$ 777,708

#### Subdivision 2.

##### JUVENILE SERVICES

Salaries and wages		\$ 8,708,389
Operating expenses		3,927,066
Equipment		102,879
Capital improvements		573,000
Grants		1,280,000
Delinquency prevention consortium		100,000
Institutional medical fees		50,000
Total all funds		\$14,741,334
Less estimated income		5,456,447
Total general fund appropriation		\$ 9,284,887

#### Subdivision 3.

##### ADULT SERVICES

Salaries and wages	\$20,252,555
Operating expenses	8,879,128
Equipment	170,867
Capital improvements	1,010,650
Capital improvements - medium security facility	4,896,425
Institutional medical fees	850,000
Victim services	3,104,399
Institutional offender services	321,991
Community offender services	6,164,499
Total all funds	\$45,650,514
Less estimated income	10,483,117
Total general fund appropriation	\$35,167,397

## Subdivision 4.

## ROUGH RIDER INDUSTRIES

Salaries and wages	\$ 2,427,773
Operating expenses	5,951,678
Equipment	221,000
Capital improvements	86,112
Total special funds	\$ 8,686,563
Grand total general fund appropriation S.B. 2016	\$45,229,992
Grand total special funds appropriation S.B. 2016	\$24,725,026
Grand total all funds appropriation S.B. 2016	\$69,955,018

**SECTION 2. TRANSFER AUTHORITY.** Upon approval of the budget section, the director of the department of corrections and rehabilitation may transfer appropriation authority contained in the various subdivisions in section 1 of this Act.

**SECTION 3. LINE ITEM TRANSFERS.** Upon approval of the emergency commission, the department of corrections and rehabilitation may transfer between the victim services, institutional offender services, and community offender services line items in subdivision 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

**SECTION 4. STATE PENITENTIARY LAND FUND.** The amount appropriated for capital improvements in subdivisions 2 and 3 of section 1 of this Act includes \$382,300 and \$490,400, respectively, which is from the North Dakota state penitentiary land fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5.** A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

**Transfer of funds prohibited.** The superintendent of public instruction may not transfer any portion of the funds appropriated for foundation aid to the youth correctional center to support the provision of educational services by the youth correctional center.

**SECTION 6.** A new subsection to section 15-40.2-08 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

Notwithstanding the provisions of this section, educational services provided to a student by the youth correctional center are not subject to

the payment of tuition by either the student's school district of residence or the superintendent of public instruction.

**SECTION 7. LEGISLATIVE INTENT - CRIME VICTIMS GRANTS.** It is the intent of the fifty-fifth legislative assembly that any grants distributed by the parole and probation division of the department of corrections and rehabilitation for victims services include a notice provided to grant recipients that the amount of funds appropriated for crime victims' grants for the 1997-99 biennium may not continue at the same level during the 1999-2001 biennium. The fifty-sixth legislative assembly is not obligated to provide an appropriation from the state general fund to continue the crime victims' grant program at the 1997-99 biennium level.

**SECTION 8. LEGISLATIVE INTENT - ROUGHRIDER INDUSTRIES CAPITAL CONSTRUCTION.** It is the intent of the fifty-fifth legislative assembly that the funds appropriated in the capital improvements - medium security facility line item in subdivision 3 of section 1 of this Act include \$325,013 of federal funds and \$36,112 of other funds derived from roughrider industries' operations for the construction of a building at the proposed medium security correctional facility to be used by roughrider industries for the employment of inmates at that facility.

**SECTION 9. PURCHASE OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7.** The department of corrections and rehabilitation may purchase, within the limits of legislative appropriations provided for that purpose, the forensic unit building, the extended treatment building, a gymnasium building, and surrounding real property at the state hospital for development of a medium security correctional facility. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7, relating to public improvement contract bids and architect, engineer, and land surveying services, for construction and renovation relating to the medium security correctional facility.

**SECTION 10. DELINQUENCY PREVENTION CONSORTIUM AND LEGISLATIVE COUNCIL STUDY.** During the 1997-99 biennium, the department of corrections and rehabilitation, the department of human services, and the department of public instruction shall develop a delinquency prevention consortium, including representatives of those departments, other state agencies, and private organizations. The legislative council shall consider studying, during the 1997-99 biennium, programs to prevent crime and delinquency and reduce incarceration. If the legislative council conducts such a study, the delinquency prevention consortium shall work in cooperation with the legislative council. The study shall consider crime prevention programs other than incarceration, such as the following programs identified in the 1996 research report "Diverting Children from a Life of Crime - Measuring Costs and Benefits": early childhood interventions for children at risk of developing antisocial behavior, interventions for families with children exhibiting aggressive or antisocial behavior, providing graduation incentives for disadvantaged high school students, and early monitoring of youth exhibiting delinquent behavior. The legislative council may report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly. If, during the 1997-99 biennium, the legislative council does not study programs to prevent crime and delinquency and reduce incarceration, the delinquency prevention consortium shall complete such a study and present periodic reports to the legislative council or its designated committee during the 1997-99 biennium on its findings and recommendations.

**SECTION 11. LEGISLATIVE INTENT - YOUTH CORRECTIONAL CENTER CARPENTRY PROGRAM.** It is the intent of the fifty-fifth legislative

assembly that the department of corrections and rehabilitation use the funds appropriated in section 1 of this Act to continue the carpentry program at the youth correctional center during the 1997-99 biennium.

**SECTION 12. CONTINGENT PAYMENT.** If, as of December 31, 1998, the superintendent of public instruction determines that a portion of the amount appropriated in the grants - foundation aid and transportation line item in House Bill No. 1013 will not be distributed during the 1997-99 biennium, the superintendent shall provide a payment, in addition to any other payments required by law, equal to the estimated undistributed amount, up to \$350,000, to the youth correctional center for educational costs incurred during the 1997-99 biennium. If the amount of the payment is less than \$350,000, the department of corrections and rehabilitation shall request a deficiency appropriation from the fifty-sixth legislative assembly for the amount that when added to the amount of the payment will equal \$350,000.

**SECTION 13. EFFECTIVE DATE.** Section 5 of this Act is effective on July 1, 1999.

**SECTION 14. EMERGENCY.** The capital improvements - medium security facility line item in subdivision 3 of section 1 of this Act and section 9 of this Act are declared to be an emergency measure.

Approved April 17, 1997

Filed April 17, 1997

## CHAPTER 46

### SENATE BILL NO. 2017

(Appropriations Committee)  
(At the request of the Governor)

### JOB SERVICE NORTH DAKOTA

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; to provide that job service North Dakota and the workers compensation bureau conduct mutual auditing assistance; to create and enact a new section to chapter 44-04 and a new section to chapter 52-02 of the North Dakota Century Code, relating to records of the North Dakota occupational information coordinating committee and audits of job service North Dakota; 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 hereby 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 job service North Dakota for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$31,989,975
Operating expenses	8,246,905
Equipment	483,766
Capital improvements	446,976
Grants	7,811,918
Work Force 2000	1,850,754
New jobs program	83,261
Total all funds	<u>\$50,913,555</u>
Less estimated income	<u>49,062,801</u>
Total general fund appropriation	<u>\$ 1,850,754</u>

**SECTION 2. APPROPRIATION.** All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are hereby appropriated to job service North Dakota for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3. WORK FORCE 2000 ALLOCATIONS.** For the year beginning July 1, 1997, a minimum of \$150,000, of the \$1,850,754 provided for work force 2000, is to be available for projects in areas in the state that are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. Any work force 2000 funds remaining after June 30, 1998, may be used for projects in any area of the state.

**SECTION 4. WORKERS COMPENSATION BUREAU AND JOB SERVICE NORTH DAKOTA - MUTUAL AUDITING ASSISTANCE.** The workers compensation bureau and job service North Dakota shall establish a cooperative program under which each agency, during the performance of employer audits, gathers employer audit information relevant to the other agency. The workers compensation bureau shall coordinate training of the auditors of both

agencies on the technical aspects and needs of the audit processes. The training must include training on the use of the form developed under section 2 of chapter 523 of the 1995 Session Laws for reporting workers' compensation and job service information on a single form. Training must be completed by December 31, 1997. The auditing program must begin in January 1998. The program must operate within federal funding requirements and any other applicable federal statutes and regulations affecting job service North Dakota, as well as within titles 52 and 65. The program's agreement must identify the amount and method of reimbursement between the workers compensation bureau and job service North Dakota for the mutual auditing services. The agreement also must identify a means by which the agencies will identify the employers to be audited by each to avoid a duplication of efforts by the agencies and to reduce the administrative burden on employers subject to the audits.

**SECTION 5.** A new section to chapter 44-04 of the North Dakota Century Code is created and enacted as follows:

**Certain records of occupational information coordinating committee - Exempt.** Records provided to the North Dakota occupational information coordinating committee by any person for use in the followup information on North Dakota education and training system for research or statistical purposes may only be used to prepare aggregate data compilations that do not identify any individual and may not be disclosed to the public by the occupational information coordinating committee. A request for disclosure of the records under section 44-04-18 or section 6 of article XI of the Constitution of North Dakota must be directed to the person or entity that has provided the records to the occupational information coordinating committee.

**SECTION 6.** A new section to chapter 52-02 of the North Dakota Century Code is created and enacted as follows:

**Independent audit.** The state auditor shall appoint on a biennial basis an independent audit firm, with extensive expertise in job service practices and standards, to complete a performance audit of the divisions of job service North Dakota. The audit must evaluate divisions of job service North Dakota, as determined necessary by the state auditor, to determine whether the divisions are providing quality service in an efficient and cost-effective manner. The audit report must contain recommendations for divisional improvement or an explanation of why no recommendations are being made. The executive director of job service North Dakota and the auditor shall present the audit report and any action taken as a result of the audit to the legislative council's legislative audit and fiscal review committee and to the house and senate industry, business and labor standing committees during the next regular session of the legislative assembly following the audit. The executive director shall also provide a copy of the audit report to the state auditor.

**SECTION 7. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure.

Approved April 17, 1997  
Filed April 17, 1997

## CHAPTER 47

### SENATE BILL NO. 2018

(Appropriations Committee)  
(At the request of the Governor)

### OFFICE OF ADMINISTRATIVE HEARINGS

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings; to create and enact a new section to chapter 54-57 of the North Dakota Century Code, relating to hearings by the office of administrative hearings; and to amend and reenact subsections 1 and 2 of section 54-57-07 of the North Dakota Century Code, relating to payment for administrative hearings.

#### 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 hereby appropriated out of any moneys from special funds derived from billing agencies for services, to the office of administrative hearings for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 622,310
Operating expenses	707,251
Equipment	<u>20,600</u>
Total special funds appropriation	\$1,350,161

**SECTION 2. OFFICE OF ADMINISTRATIVE HEARINGS - LOAN FROM STATE GENERAL FUND - APPROPRIATION OF LOAN REPAYMENT.** Notwithstanding any other provision of law, the office of administrative hearings is authorized to borrow up to \$100,000, which amounts are hereby appropriated from the state general fund during the biennium beginning July 1, 1997, and ending June 30, 1999. The office of administrative hearings shall inform the office of management and budget of any loan required pursuant to this section. Any loan made to the office of administrative hearings under this section must be repaid to the state general fund by June 30, 1999, and any loan repayments made by the office of administrative hearings are hereby appropriated for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 3.** A new section to chapter 54-57 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

**Hearings after judgment.** The office of administrative hearings may not hold hearings on the same issue involving the same parties as the original hearing after a judgment has been rendered by a court concerning that issue unless authorized to or directed to by that court.

<sup>13</sup> **SECTION 4. AMENDMENT.** Subsections 1 and 2 of section 54-57-07 of the 1995 Supplement to the North Dakota Century Code are amended and reenacted as follows:

1. The office of administrative hearings ~~may~~ shall require payment for services rendered by any administrative law judge provided by it to any agency, to any unit of local government in this state, to any tribal government in this state, or to the judicial branch, in the conduct of an administrative hearing and related proceedings, and those entities must make the required payment to the office. Payment ~~may~~ must include payment for support staff necessary to render administrative law judge services. ~~General fund moneys may not be used for payment by state agencies pursuant to this subsection except for those payments required of the department of human services and the state department of health.~~ Moneys received by the office of administrative hearings in payment for providing an administrative law judge to conduct an administrative hearing and related proceedings must be deposited into the operating fund of the office of administrative hearings.
  
2. The office of administrative hearings ~~may~~ shall require payment for mileage, meals, and lodging in connection with services rendered by an administrative law judge provided to any agency, to any unit of local government in this state, to any tribal government in this state, or to the judicial branch, in the conduct of an administrative hearing and related proceedings, and those entities must make the required payment to the office. Payment for meals and lodging must be in the amounts allowable under section 44-08-04. Payment for mileage when using state vehicles must be in amounts set for user charges under section 24-02-03.5. All other payments must be in amounts allowed for other state officials and employees. Either general fund or special fund moneys, or other income, may be used for the payment of mileage, meals, and lodging under this subsection.

Approved April 11, 1997  
Filed April 11, 1997

---

<sup>13</sup> Section 54-57-07 was also amended by section 1 of Senate Bill No. 2084, chapter 469.

## CHAPTER 48

### SENATE BILL NO. 2019

(Appropriations Committee)  
(At the request of the Governor)

## ECONOMIC DEVELOPMENT AND FINANCE

AN ACT to provide appropriations for defraying the expenses of the department of economic development and finance and to the agricultural products utilization commission for grants; to provide for transfers of funds; to provide for the reallocation of funds; to provide for a legislative council study; to amend and reenact sections 4-14.1-03.1, 4-14.1-04, 54-34.3-08, and 57-43.1-03.1 of the North Dakota Century Code, relating to the agricultural products utilization commission, patent and royalty rights of the department of economic development and finance, and tax refunds for fuel used for agricultural purposes; to provide for application; to repeal chapter 10-30.4 and section 54-34.3-07 of the North Dakota Century Code, relating to technology transfer, incorporated; and to provide an effective date.

### 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 hereby 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 department of economic development and finance for the purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 2,421,849
Operating expenses	1,481,995
Equipment	34,000
Grants	1,313,141
General allocation grants	725,690
Technology transfer, incorporated	500,000
Agricultural products utilization	4,097,462
North Dakota development fund	1,909,875
Total all funds	<u>\$12,484,012</u>
Less estimated income	<u>3,312,026</u>
Total general fund appropriation	\$ 9,171,986

**SECTION 2. APPROPRIATION.** All income received in excess of the amounts appropriated in section 1 of this Act relating to agricultural products utilization commission activities is hereby appropriated to the agricultural products utilization commission for research, marketing, and utilization grants for the biennium beginning July 1, 1997, and ending June 30, 1999. Any funds received require the approval of the emergency commission before they may be expended.

**SECTION 3. AGRICULTURAL FUEL TAX FUND.** The estimated income line item in section 1 of this Act includes \$1,007,243 from the agricultural fuel tax fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 4. HIGHWAY TAX DISTRIBUTION FUND - ETHANOL PRODUCTION INCENTIVES - CONTINGENT TRANSFER.** The estimated

income line item in section 1 of this Act includes \$1,507,000, or so much of the amount as may be necessary, from the highway tax distribution fund for the ethanol production incentive program. Of this amount, \$1,500,000 is for the purpose of providing production incentives to the Grafton, North Dakota, ethanol plant and \$7,000 is for audits of the use of these funds for the biennium beginning July 1, 1997, and ending June 30, 1999. Distribution from the appropriation in section 1 of this Act to the producers of agriculturally derived fuel must be at the rate of forty cents for each gallon of agriculturally derived fuel produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota. For purposes of this section, "gallon of agriculturally derived fuel" means a gallon of fuel that qualifies for the alcohol credit under 26 U.S.C. 40, specifically including fuel to which a denaturant has been added. Payment to the producing plant must be approved by the agricultural products utilization commission upon presentation by the plant of an affidavit to the effect that the ethanol sold from the plant and for which the producer's credit is being sought is to be sold at retail to consumers in North Dakota. The affidavit of the producer of the ethanol must be accompanied by an affidavit from the wholesaler or retailer to the same effect. Within ninety days after the end of each fiscal year of the ethanol plant beginning after December 31, 1992, any North Dakota ethanol plant receiving production incentives from the state shall file with the budget section of the legislative council a statement, certified by a certified public accountant, as to whether the plant produced a profit from its operation in the preceding fiscal year, after deducting the payments received from this incentive program. If, at the end of each fiscal year, funding appropriated for ethanol incentive payments is not spent, the director of the office of management and budget shall transfer from the highway tax distribution fund the amount of unspent funds deposited into the fund pursuant to provisions of section 57-43.1-03.1 to the agricultural fuel tax fund for the agricultural products utilization commission for the purpose of providing grants as provided by law.

**SECTION 5. EXEMPTION.** The funds appropriated in the agricultural products utilization line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item relating to grants awarded may be available for continued payment of grants awarded but not paid during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 6. EXEMPTION - ETHANOL INCENTIVE APPROPRIATION.** The funds provided in the ethanol incentive line item contained in chapter 48 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds up to a maximum of \$250,000 from this line item are available for ethanol incentive payments to the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. Notwithstanding the appropriation limit in section 4 of this Act, these funds shall be distributed based on the distribution formula contained in that section.

**SECTION 7. LEGISLATIVE INTENT - ETHANOL INCENTIVE PAYMENTS.** It is the intent of the legislative assembly that the appropriation of \$1,500,000 contained in section 1 of this Act for ethanol incentives and the \$250,000 of estimated unspent ethanol incentive funds from the 1995-97 biennium, to be available as a result of the exemption provided in section 6 of this Act, provide a total of \$1,750,000 for ethanol incentives for the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. A maximum of \$875,000 may be paid annually to the Grafton ethanol plant during the 1997-99 biennium.

**SECTION 8. REALLOCATION OF ECONOMIC DEVELOPMENT FUNDS.** The director of the department of economic development and finance may

reallocate among the technology transfer, inc., fund and the North Dakota development fund for rural and nonrural development projects up to ten percent of the amounts appropriated for these purposes for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 9. TRANSFERS - ECONOMIC DEVELOPMENT FUNDS.** Of the general fund amount appropriated in section 1 of this Act, \$500,000 must be transferred to the technology transfer fund and \$1,909,875 to the North Dakota development fund. The transfers must be in amounts and at such times as requested by the director of the office of management and budget.

**SECTION 10. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS.** The \$1,909,875 transferred to the North Dakota development fund must be dedicated for projects as follows: forty percent businesses in rural areas, forty percent businesses in urban areas, and twenty percent North Dakota American Indian businesses. Any unused funds in any category may be transferred to another category during the second year of the biennium under rules adopted by the director of the department of economic development and finance. The director of the department of economic development and finance may reallocate up to twenty percent of any region's available remaining balance of regional rural development revolving loan funds to another region or regions for the biennium beginning July 1, 1997, and ending June 30, 1999. Of the amount available in the North Dakota development fund, \$4,000,000 or the unobligated balance on July 1, 1997, relating to the transfer of regional rural development revolving loan fund moneys, must continue to be dedicated for the purpose of providing financial assistance, research and development assistance, and loans or equity or debt financing on a matching basis to new or expanded primary sector businesses in areas of the state which are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. These funds must be allocated for the benefit of each of the areas delineated as regions by executive order of the governor pursuant to section 54-40.1-02.

**SECTION 11. ECONOMIC DEVELOPMENT FUNDS - WAGE REQUIREMENTS.** Any political subdivision or economic development authority may adopt a minimum wage requirement for any new business or business expansion in which a majority of the capital is provided by the North Dakota development fund and its own local development funds. These wage requirements may be imposed on all or any portion of the employees and may exceed federal minimum wage requirements.

**SECTION 12. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT FUNCTIONS.** The legislative council shall consider studying during the 1997-98 interim economic development functions in North Dakota including the Bank of North Dakota programs, technology transfer, incorporated, the North Dakota development fund, the department of economic development and finance, and other related state agencies. The study, if conducted, should include a review of the most appropriate, effective, and efficient method for the state to deliver economic development assistance in light of changing economic conditions and considerations.

**SECTION 13. AMENDMENT.** Section 4-14.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-03.1. Agricultural products utilization commission - Authority.** The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or

private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program.

**SECTION 14. AMENDMENT.** Section 4-14.1-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-04. Agricultural products utilization commission - Meetings - Personnel - Reports.** The agricultural products utilization commission, which is a division of the department of economic development and finance, shall meet as necessary and shall report to each session of the legislative assembly. The commission may secure office space ~~and~~, employ needed personnel for the performance of its duties, ~~may~~ hire consultants, spend any funds appropriated to the commission, and ~~may~~ contract with public entities or private parties for services.

**SECTION 15. AMENDMENT.** Section 54-34.3-08 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-08. Patents.** The department of economic development and finance, ~~technology transfer, incorporated,~~ the North Dakota development fund, incorporated, and the North Dakota agricultural products utilization commission may hold or assign for remuneration all or a portion of their interest in patents or royalty rights acquired in the course of their operation and performance of duties as provided by law.

<sup>14</sup> **SECTION 16. AMENDMENT.** Section 57-43.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~four~~ seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users; ~~two~~. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund ~~and two cents~~, one cent per gallon [3.79 liters] withheld from the refund must be retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund. Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~four~~ seven cents per gallon [3.79 liters] by the dealer and the ~~four~~ seven

---

<sup>14</sup> Section 57-43.1-03.1 was also amended by section 1 of House Bill No. 1286, chapter 500, and section 3 of House Bill No. 1311, chapter 498.

cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes - Reduction for agricultural fuel tax fund Reductions.** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~two six~~ six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users; ~~two~~ Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the agricultural research fund. Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~two six~~ six cents per gallon [3.79 liters] by the dealer and the ~~two six~~ six cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**SECTION 17. APPLICATION.** Section 16 of this Act applies to refund claims for motor vehicle fuel taxes paid after December 31, 1996.

**SECTION 18. TECHNOLOGY TRANSFER, INCORPORATED, TRANSFERS.** Any moneys and any investment, contract, partnership, or any other business transaction of technology transfer, incorporated, are transferred to the North Dakota development fund and are deemed to be assets of the North Dakota development fund.

**SECTION 19. REPEAL.** Chapter 10-30.4 of the North Dakota Century Code and section 54-34.3-07 of the 1995 Supplement to the North Dakota Century Code are repealed.

**SECTION 20. EFFECTIVE DATE.** Sections 15, 18, and 19 are effective on July 1, 1999.

Approved April 17, 1997  
Filed April 17, 1997

## CHAPTER 49

### SENATE BILL NO. 2020 (Appropriations Committee) (At the request of the Governor)

## BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

AN ACT to provide an appropriation for defraying the expenses of the state board for vocational and technical education; to create and enact a new subsection to section 15-20.1-03 of the North Dakota Century Code, relating to the powers and duties of the state board for vocational and technical education; to amend and reenact section 6-09.10-02.1, subsection 1 of section 6-09.10-06, sections 15-20.1-01, and 15-20.1-02 of the North Dakota Century Code, relating to the duties of the credit review board and the state board for vocational and technical education; and to provide statements of legislative intent.

#### **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 hereby 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 board for vocational and technical education for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 2,567,463
Operating expenses	555,204
Equipment	108,000
Grants	21,619,356
Adult farm management	445,760
Postsecondary education vocational grants	368,600
Small business management	99,237
Total all funds	<u>\$25,763,620</u>
Less estimated income	<u>14,247,597</u>
Total general fund appropriation	\$11,516,023

**SECTION 2. AMENDMENT.** Section 6-09.10-02.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**6-09.10-02.1. Additional duties of board.** In addition to other powers and duties enumerated in this chapter, the board shall:

1. Establish policy for the North Dakota agricultural mediation service.
2. Recommend policies and procedures to the industrial commission regarding farm loan programs of the Bank of North Dakota.

3. Recommend policies and procedures regarding the adult farm management program to the state board ~~of~~ for vocational and technical education.
4. ~~Coordinate~~ Participate in a farm management delivery system coordinated by the state board for vocational and technical education among the adult farm management program, agricultural mediation service, and North Dakota state university. The system must be available to any farmer and may be funded from moneys available in the fund described in this chapter, fees paid by farmers, or other sources.

**SECTION 3. AMENDMENT.** Subsection 1 of section 6-09.10-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. A revolving fund must be maintained at the Bank of North Dakota for the subsidy of interest rates on home-quarter purchases and coordination and operation of a farm management delivery system, as provided in this chapter. All moneys transferred into the fund, interest upon moneys in the fund, and payments to the fund are hereby appropriated for the purposes of this chapter. Any moneys generated by the farm management delivery system must be transferred to the state board for vocational and technical education and allocated by the state board for vocational and technical education to the adult farm management program, the agricultural mediation services, and North Dakota state university for expenses related to the jointly developed and implemented farm management delivery system. ~~The board may not allocate more than forty percent of these moneys to any one of these entities.~~

**SECTION 4. AMENDMENT.** Section 15-20.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**15-20.1-01. Definitions.** In this chapter, unless the context ~~or subject matter~~ otherwise requires:

1. "Director" means the director of vocational and technical education.
2. "Regulations" means regulations made by the director with the approval of the state board.
3. "State board" means the state board for vocational and technical education ~~which is the state board of public school education.~~

**SECTION 5. AMENDMENT.** Section 15-20.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15-20.1-02. State board for vocational and technical education - Director of vocational and technical education - Appointment, qualifications, assistants, duties.** The state board ~~of public school education is the state board~~ for vocational and technical education consists of the members of the state board of public school education, the executive director of job service North Dakota, and the commissioner of higher education or the commissioner's designee. The state board, ~~acting through the office of the superintendent of public instruction,~~ shall appoint a director and executive officer of vocational and technical education who are charged with the administration, under the direction and supervision of the board, of the provisions of this chapter relating to vocational and technical education. The state board, ~~acting~~

through the office of the superintendent of public instruction, shall designate such assistants to the director as may be necessary to carry out the provisions of this chapter. The duties, terms of office, and compensation of the director and of his assistants must be determined by the state board. The director shall hold as a minimum a baccalaureate degree received from a recognized college or university. The director shall enforce such rules and regulations as the state board may adopt and shall prepare such reports concerning vocational education as the state board may require.

**SECTION 6.** A new subsection to section 15-20.1-03 of the North Dakota Century Code is created and enacted as follows:

To coordinate new and existing farm management programs offered by any state agency or entity.

**SECTION 7. LEGISLATIVE INTENT - STATEWIDE ACCESS TO WORK FORCE TRAINING PROGRAMS - REPORT TO LEGISLATIVE COUNCIL COMMITTEE.** It is the intent of the fifty-fifth legislative assembly that the state board for vocational and technical education cooperate with other state agencies and private organizations to provide work force training programs in a manner that will allow statewide access to these programs and will improve the agency's ability to coordinate and implement work force training programs in anticipation of future work force training needs. The state board for vocational and technical education shall provide, during the 1997-98 interim, periodic reports to the legislative council or its designated committee, on the agency's progress in coordinating statewide access to work force training programs.

**SECTION 8. LEGISLATIVE INTENT - FARM MANAGEMENT PROGRAM FEES.** It is the intent of the fifty-fifth legislative assembly that all fees collected for farm management programs pursuant to sections 6-09.10-02.1 and 6-09.10-06 be transferred to the state board for vocational and technical education. The state board for vocational and technical education shall distribute the fees as it determines necessary to state agencies and organizations involved in providing farm management programs.

Approved April 9, 1997  
Filed April 10, 1997

## CHAPTER 50

### SENATE BILL NO. 2064

(Appropriations Committee)  
(At the request of the Governor)

## EXTENSION SERVICE, CROPS INSTITUTE, TRANSPORTATION INSTITUTE, RESEARCH CENTERS, AND SEED FARM

AN ACT to provide an appropriation for defraying the expenses of the office of management and budget, extension service, northern crops institute, upper great plains transportation institute, and the experiment centers; to provide a contingent appropriation; to provide for an interim legislative council study; to create and enact six new sections to chapter 4-05.1 and a new section to chapter 4-22 of the North Dakota Century Code, relating to the state board of agricultural research and the duties of the extension service; to amend and reenact sections 4-05.1-01, 4-05.1-02, 4-05.1-03, 4-05.1-04, 4-22-02, 4-22-03, 4-22-04, 4-22-06, 4-22-22, 4-22-47, and 4-22-48 of the North Dakota Century Code, relating to the state agricultural experiment station and state soil conservation committee; to repeal section 4-22-05 of the North Dakota Century Code, relating to employees of the state soil conservation committee; 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 hereby 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, and the North Dakota agricultural experiment centers for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Subdivision 1.	
NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE	
Salaries and wages	\$20,654,371
Operating expenses	3,483,064
Equipment	450,000
Soil conservation district grants	580,000
Total all funds	\$25,167,435
Less estimated income	13,017,998
Total general fund appropriation	\$12,149,437

Subdivision 2.	
NORTHERN CROPS INSTITUTE	
Salaries and wages	\$ 780,678
Operating expenses	118,650
Equipment	72,450
Total all funds	\$ 971,778
Less estimated income	335,977
Total general fund appropriation	\$ 635,801

## Subdivision 3.

## UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Salaries and wages	\$ 2,132,128
Operating expenses	1,526,794
Equipment	45,000
Grants	<u>1,150,000</u>
Total all funds	\$ 4,853,922
Less estimated income	<u>4,403,417</u>
Total general fund appropriation	\$ 450,505

## Subdivision 4.

## AGRICULTURAL EXPERIMENT STATION

Salaries and wages	\$40,617,544
Total all funds	\$40,617,544
Estimated income:	
Main research station	\$14,127,692
Hettinger research center	63,473
Langdon research center	66,152
North central research center	35,663
Carrington research center	<u>325,321</u>
Less total estimated income	<u>14,668,801</u>
Total general fund appropriation	\$25,948,743

## Subdivision 5.

## MAIN RESEARCH CENTER

Operating expenses	\$ 4,638,480
Equipment	1,367,746
Capital improvements	1,123,800
Animal replacement	<u>300,000</u>
Total all funds	\$ 7,430,026
Less estimated income	3,508,546
Total general fund appropriation	\$ 3,921,480

## Subdivision 6.

## DICKINSON RESEARCH CENTER

Operating expenses	\$ 463,503
Equipment	54,076
Capital improvements	35,000
Animal replacement	<u>100,000</u>
Total all funds	\$ 652,579
Less estimated income	<u>531,676</u>
Total general fund appropriation	\$ 120,903

## Subdivision 7.

## CENTRAL GRASSLANDS RESEARCH CENTER

Operating expenses	\$ 388,543
Equipment	85,193
Animal replacement	<u>100,000</u>
Total all funds	\$ 573,736
Less estimated income	<u>451,400</u>
Total general fund appropriation	\$ 122,336

## Subdivision 8.

## HETTINGER RESEARCH CENTER

Operating expenses	\$ 228,027
Equipment	112,600

Animal replacement	100,000
Total all funds	\$ 440,627
Less estimated income	237,595
Total general fund appropriation	\$ 203,032

## Subdivision 9.

## LANGDON RESEARCH CENTER

Operating expenses	\$ 173,002
Equipment	42,800
Total all funds	\$ 215,802
Less estimated income	112,198
Total general fund appropriation	\$ 103,604

## Subdivision 10.

## NORTH CENTRAL RESEARCH CENTER

Operating expenses	\$ 323,503
Equipment	106,200
Capital improvements	250,000
Total all funds	\$ 679,703
Less estimated income	591,763
Total general fund appropriation	\$ 87,940

## Subdivision 11.

## WILLISTON RESEARCH CENTER

Operating expenses	\$ 300,632
Equipment	159,900
Total all funds	\$ 460,532
Less estimated income	233,123
Total general fund appropriation	\$ 227,409

## Subdivision 12.

## CARRINGTON RESEARCH CENTER

Operating expenses	\$ 635,712
Equipment	151,250
Animal replacement	100,000
Total all funds	\$ 886,962
Less estimated income	761,052
Total general fund appropriation	\$ 125,910

## Subdivision 13.

## AGRONOMY SEED FARM

Salaries and wages	\$ 303,231
Operating expenses	597,500
Equipment	172,000
Capital improvements	80,000
Capital improvements - farm shop	100,000
Total special funds appropriation	\$ 1,252,731
Grand total general fund appropriation S.B. 2064	\$44,147,100
Grand total special funds appropriation S.B. 2064	\$42,206,277
Grand total all funds appropriation S.B. 2064	\$86,353,377

**SECTION 2. APPROPRIATION.** There is hereby appropriated out of any moneys in the agricultural research fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the agricultural experiment station for the purpose of distributing agricultural research grants.

**SECTION 3. CONTINGENT APPROPRIATION - WILLISTON RESEARCH CENTER.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and from special funds derived from other income, the sum of \$100,000, or so much of the sum as may be necessary, to the Williston research center for the purpose of defraying a portion of the construction costs relating to the Ernie French center, for the biennium beginning July 1, 1997, and ending June 30, 1999. The general fund appropriation provided in this section may only be spent upon certification with the state treasurer that the Williston research center has received commitments to provide the \$100,000 of special funds derived from the other income for the project.

**SECTION 4. ADDITIONAL INCOME - APPROPRIATION.** Any additional income including funds from the federal government and gifts and donations from private sources received by the North Dakota agricultural experiment station, northern crops institute, upper great plains transportation institute, and the North Dakota state university extension service, except as otherwise provided by law, is hereby appropriated for the purpose designated in the gift, grant, or donation. All of the moneys in the operating fund must remain in the fund until expended pursuant to any specific legislative appropriation or an authorization from the emergency commission, and the balances of the moneys except those received from the federal government or as gifts from private sources, must be used to reduce the amount of moneys to be expended pursuant to the general fund appropriation only to the extent that the unencumbered balance in the operating fund on June 30, 1997, exceeds the estimated income for the biennium ending June 30, 1999.

**SECTION 5. FUNDING ALLOCATIONS - AUTHORITY.** The amounts in subdivision 4 of section 1 must be used for the benefit of the entities of the agricultural experiment station as determined by the vice president of agricultural affairs at North Dakota state university in accordance with the guidelines established in section 6 of this Act. The office of management and budget shall establish a salaries and wages line item for each entity of the agricultural experiment station for the 1997-99 biennium and shall transfer appropriation authority included in subdivision 4 of section 1 of this Act to the salaries and wages line item for each entity as requested by the vice president of agricultural affairs at North Dakota state university.

**SECTION 6. ALLOCATIONS - SALARIES AND WAGES - LEGISLATIVE INTENT - DECLARATION OF PURPOSE - GUIDELINES.**

1. It is the intent of the legislative assembly that the vice president of agricultural affairs at North Dakota state university consider the following items in making annual budget allocations for salaries and wages from the appropriations contained in subdivision 4 of section 1 of this Act:
  - a. Base salary allocations are to be made for operations based on mission, historical funding, research programs, and services of each entity.
  - b. Salary increase allocations are to be made based on general salary increases, one-time increases, performance-based increases, market increases, and other increases, including workload changes, new responsibilities, and promotions.

- c. Targeted initiative allocations are to be made as approved by the legislative assembly.
2. It is the intent of the legislative assembly that allocations are not to be used to close any entity of the agricultural experiment station nor may the work of any entity be substantially reorganized except as authorized by the legislative assembly.
3. It is the intent of the legislative assembly that each entity of the agricultural experiment station receive salaries and wages funding for the 1997-99 biennium that are at least ninety percent of the salaries and wages funding for the 1995-97 biennium.
4. The vice president of agricultural affairs at North Dakota state university shall periodically report to the budget section of the legislative council on the allocations made pursuant to this section and shall make recommendations regarding the allocation process for the 1999-2001 biennium.

**SECTION 7. TRANSFER AUTHORITY.** The state board of higher education is authorized to approve transfer of funds between line items for each agency included in section 1 of this Act and shall notify the office of management and budget within ten days following the transfer.

**SECTION 8. TRANSFER AUTHORITY.** Upon approval of the state board of higher education and the emergency commission, the director of the North Dakota agricultural experiment station may transfer appropriation authority between agencies included in subdivision 2 and in subdivisions 4 through 13 of section 1 of this Act.

**SECTION 9. LINE ITEM TRANSFERS - EMERGENCY COMMISSION.** Notwithstanding any other provision of law, the emergency commission may authorize the entities in subdivisions 5 through 13 of section 1 of this Act to establish a capital improvements line item and to transfer appropriation authority from another line item within the same subdivision to the capital improvements line item for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 10. LEGISLATIVE INTENT - PART-TIME LABOR.** It is the intent of the legislative assembly that the board of higher education may authorize transfers for the entities of the agricultural experiment station of up to five percent of a capital improvements line item to salaries and wages for part-time labor costs relating to repairs, maintenance, and improvements at the research centers for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 11. AGRICULTURAL STORAGE FACILITIES.** The board of higher education may authorize the construction of structures for storage of agricultural products or equipment by entities listed in section 1 of this Act provided the structures do not exceed \$100,000 in cost.

**SECTION 12. UNEXPENDED FUNDS - EXEMPTION.** Capital improvements funds contained in subdivision 2 of section 1 of chapter 5 of the 1995 Session Laws for the northern crops institute and capital improvements funds contained in subdivision 8 of section 1 of chapter 5 of the 1995 Session Laws for the north central research center are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available during the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 13. ADDITIONAL INCOME - NORTH CENTRAL RESEARCH CENTER.** Notwithstanding the provisions of section 4 of this Act, the north central research center may utilize up to \$25,000 of unanticipated earned income received during the 1997-99 biennium for defraying the costs associated with the construction of a new headquarters building at the center for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 14. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS.** The board of higher education is authorized to adjust or increase full-time equivalent positions as needed, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 1999-2001 budget request.

**SECTION 15. INTERIM LEGISLATIVE COUNCIL STUDY.** Because the North Dakota state university cooperative extension service and agricultural research centers are part of the North Dakota university system, the legislative council, during the 1997-99 interim, shall consider studying the feasibility and desirability of including the extension service and research centers appropriations in the same appropriations bill as other entities of the university system. If the legislative council determines it is feasible and desirable, it shall recommend the format for the appropriations bill to be introduced to the 1999 legislative assembly.

**SECTION 16. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 1997-98 interim, alternative methods of governing and delivering soil conservation services in North Dakota. The study must address the advisability of continuing to elect state soil conservation committee members and district supervisors.

<sup>15</sup> **SECTION 17. AMENDMENT.** Section 4-05.1-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-01. Definitions.** In this chapter, unless the context otherwise requires:

1. "Agricultural experiment station" means the North Dakota state university main research ~~station~~ center, the Dickinson research extension center, the Williston research extension center, the Langdon research extension center, the central grasslands research extension center, the Carrington research extension center, the Hettinger research extension center, the north central research extension center, the agronomy seed farm, and any other department or agency designated by the state board of higher education.
2. "~~Director~~" means the director of the ~~North Dakota agricultural experiment station~~.
3. "~~Superintendent~~" "Center director" means an administrator in charge of a research or research extension center.
3. "Station director" means the administrator of the agricultural experiment station.

---

<sup>15</sup> Section 4-05.1-01 was also amended by section 1 of Senate Bill No. 2025, chapter 57.

**SECTION 18. AMENDMENT.** Section 4-05.1-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-02. Agricultural experiment station.** ~~The state board of agricultural research and the president of North Dakota state university shall control and administer the North Dakota agricultural experiment station is under the control of and~~ subject to the supervision of the state board of higher education. ~~The agricultural experiment station shall develop research programs involving the basic and applied biological, physical, and social sciences that will enhance agricultural systems and improve the quality of life.~~ Funds appropriated to the agricultural experiment station may not be commingled with funds appropriated to North Dakota state university. Appropriation requests to defray expenses of the agricultural experiment station must be separate from appropriation requests to defray expenses of North Dakota state university.

<sup>16</sup> **SECTION 19. AMENDMENT.** Section 4-05.1-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-03. Director - Superintendents Center directors - Research station and research extension centers - Records and information.** ~~The director is under the direction of the president of the North Dakota state university of agriculture and applied science.~~ The research station and research extension centers of the ~~North Dakota~~ agricultural experiment station are under the jurisdiction of the station director. Each research or research extension center must be administered by a superintendent center director who shall report to the station director. Each research or research extension center shall keep detailed records of all research activities and publish and disseminate research results and information for the benefit of this state.

<sup>17</sup> **SECTION 20. AMENDMENT.** Section 4-05.1-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-04. Reports to director and state board of higher education.** Each ~~superintendent center director~~ shall submit ~~a biennial~~ an annual report to the station director ~~on or before the first day of August of each odd-numbered year as directed by the state board of agricultural research.~~ Each report must set forth in detail the investigations and experiments made during the preceding ~~fiscal biennium year,~~ recommendations for the welfare of the center, the financial condition of the center, how all moneys have been expended, and the results of experiments. The station director shall submit these reports, with a ~~biennial~~ report of the North Dakota state university main research ~~station center,~~ to the state board of agricultural research and the state board of higher education on or before the first day of September of ~~each odd-numbered year.~~ If the state board of higher education submits a biennial report to the governor and the secretary of state in accordance with section 54-06-04, the report must include a composite of the reports from the main research ~~station~~ center and each research extension center.

---

<sup>16</sup> Section 4-05.1-03 was also amended by section 2 of Senate Bill No. 2025, chapter 57.

<sup>17</sup> Section 4-05.1-04 was also amended by section 3 of Senate Bill No. 2025, chapter 57.

**SECTION 21.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**State board of agricultural research - Membership - Terms.**

1. The state board of agricultural research consists of:
  - a. The president of North Dakota state university;
  - b. The vice president of agricultural affairs at North Dakota state university;
  - c. The administrator of the agricultural experiment station;
  - d. The five persons appointed to the agricultural consultation board by the ag coalition and serving in that capacity on July 1, 1997;
  - e. The five persons appointed to the agricultural consultation board by the extension service's multicounty program units and serving in that capacity on July 1, 1997;
  - f. The two persons appointed to the agricultural consultation board by the president of North Dakota state university as representatives of the state's research extension centers and serving in that capacity on July 1, 1997;
  - g. The commissioner of agriculture who serves in an ex officio capacity; and
  - h. The director of the North Dakota state university extension service who serves in an ex officio capacity.
2. a. The initial five members appointed by the ag coalition shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
  - b. The initial five members appointed by the extension service's multicounty program units shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
  - c. The two persons appointed as representatives of the state's research extension centers shall serve only through June 30, 1998.
3. At the completion of each initial term, the term of office for each member is five years, beginning on July first. No person may be appointed to a second five-year term.
4. a. At least ninety days before the conclusion of the initial term of each member appointed by the ag coalition, the ag coalition shall provide to the state board of higher education a list of two or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be

made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.

- b. At least ninety days before the conclusion of the initial term of each member appointed by the extension service's multicounty program units, the units through their advisory groups shall provide to the state board of higher education a list of two or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.

**SECTION 22.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**Compensation of board members - Expenses.** Each appointed member of the state board of agricultural research is entitled to receive sixty-two dollars and fifty cents per day as compensation for the time actually spent devoted to the duties of office and is entitled to receive necessary expenses in the same manner and amounts as state officials for attending meetings and performing other functions of office.

**SECTION 23.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**State board of agricultural research - Chairman - Meetings.** The state board of agricultural research annually shall elect one of its members to serve as chairman. The board shall meet at the times and locations designated by the chairman in consultation with the vice president of agricultural affairs at North Dakota state university.

**SECTION 24.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**State board of agricultural research - Duties.** Within the policies of the state board of higher education, the state board of agricultural research is responsible for the budgeting, supervision, and policymaking responsibilities associated with the supervision of the agricultural experiment station. The agricultural research board shall:

1. Determine the causes of any adverse economic impacts on crops and livestock produced in this state;
2. Develop ongoing strategies for the provision of research solutions to negate adverse economic impacts on crops and livestock produced in this state;
3. Make available financial resources, including grants and salaries, and make available equipment and facilities to implement the strategies developed under subsection 2, subject to approval by the state board of higher education;
4. Develop an annual budget for the operation of the agricultural experiment station;

5. Develop a biennial budget request and submit that request to the state board of higher education on or before March first of each even-numbered year;
6. Maximize the use of existing financial resources, equipment, and facilities to generate the greatest economic benefit from research efforts and to promote efficiency;
7. Annually evaluate the results of research activities and expenditures and report the findings to the legislative council and the state board of higher education;
8. Advise the administration of North Dakota state university regarding the recruitment and selection of the vice president of agricultural affairs and the station director; and
9. Advise the director of the extension service regarding the dissemination of research information and the best practices for management of the extension service.

**SECTION 25.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**Agricultural research fund.** The agricultural research fund is a special fund in the state treasury. The moneys in the fund must be expended for purposes of agricultural research.

**SECTION 26.** A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

**State board of agricultural research - Apportionment of research funds.**

1. The state board of agricultural research annually shall apportion the proceeds of the agricultural research fund as follows:
  - a. Seventy percent to research activities affecting North Dakota agricultural commodities that account for at least two percent of the gross sales of all agricultural commodities grown or produced in the state. The percentage of the dollars available for each agricultural commodity under this section may not exceed the percentage that the gross sales of the agricultural commodity bear to the North Dakota gross sales of all agricultural commodities grown or produced during the previous year, as determined by the agricultural statistics service;
  - b. Eighteen percent to research activities affecting North Dakota animal agriculture; and
  - c. Twelve percent to research activities affecting new and emerging crops in North Dakota.
2. The state board of agricultural research shall solicit proposals for research from the public and private sectors and shall appoint committees to review the proposals and award the agricultural research grants on a competitive basis. Each committee must consist of a majority of agricultural producers selected in consultation with the

agricultural commodity groups representing commodities that are the subjects of the proposed research and may include researchers and other individuals knowledgeable about the proposed area of research. Whenever possible, the committees shall require that a grant recipient commit matching funds.

3. The state board of agricultural research shall develop policies regarding the award of research grants, including requirements for matching funds, cooperation with other in-state and out-of-state researchers, and coordination with other in-state and out-of-state proposed or ongoing research projects.

**SECTION 27. AMENDMENT.** Section 4-22-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-22-02. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. ~~"Agency of this state" includes the government of this state and any subdivision, agency, or instrumentality, corporate or otherwise, of the government of this state.~~
2. ~~"Committee" or "state soil conservation committee" means the state soil conservation committee established by this chapter.~~
2. "Director" means the director of the North Dakota state university extension service.
3. ~~"District" or "soil conservation district" means a governmental subdivision of this state, and a public body, corporate and politic, organized in accordance with the provisions of this chapter for the purposes, with the powers, and subject to the restrictions hereinafter set forth provided by law.~~
4. "Due notice" means notice published at least twice, with an interval of at least seven days between the two publication dates, in a newspaper or other publication of general circulation within the appropriate area; ~~or if no such.~~ If this type of publication of general circulation is not available, by posting the term means notice posted at a reasonable number of conspicuous places within the appropriate area, such the posting to include, where possible, posting at public places where it may be customary to post notices concerning county or municipal affairs generally. At any hearing held pursuant to such due notice, at the time and place designated in such the notice, adjournment may be made from time to time without the necessity of renewing the notice for the adjourned dates.
5. "Government" ~~or "governmental"~~ includes the government of this state, the government of the United States, and any subdivision, agency, or instrumentality, corporate or otherwise, of either of them.
6. "Land occupier" ~~or "occupier of land"~~ includes any person, ~~firm, corporation, or limited liability company who that~~ holds title to or is in possession of any lands lying within a district ~~organized under the provisions of this chapter, whether as owner, lessee, renter, tenant, or otherwise, and whether or not the person, firm, corporation, or limited~~

liability company is living or located in a rural or urban area within the district.

7. "Petition" means a petition filed under ~~the provisions of~~ this chapter for the creation of a soil conservation district.
8. "Qualified elector" means ~~every person of the age of~~ an individual who is at least eighteen ~~or upwards who~~ years old, is a citizen of the United States, and who has resided in the ~~state and in the~~ precinct thirty days next preceding any election, whether or not the ~~person~~ individual is living in a rural or urban area.
9. "~~State~~" means the state of North Dakota.
- ~~10.~~ "Supervisor" means one of the members of the governing body of a district, elected or appointed in accordance with ~~the provisions of~~ this chapter.
- ~~11.~~ "~~United States~~" or "~~agencies of the United States~~" includes the United States of America, the soil conservation service of the United States department of agriculture, and any other agency or instrumentality, ~~corporate or otherwise,~~ of the United States of America.

**SECTION 28. AMENDMENT.** Section 4-22-03 of the North Dakota Century Code is amended and reenacted as follows:

**4-22-03. State soil conservation committee - Elective and appointive members - Records and seal.**

1. ~~The state soil conservation committee must be maintained as an agency of this state to~~ shall perform the functions conferred upon it in this chapter within the limits of legislative appropriations. The committee consists of seven voting members, of whom five must be elected and two must be appointed by the governor ~~as provided herein~~.
- ~~4.~~ Elective members:
  2. For the purpose of electing the five elective members of the committee, the state ~~of North Dakota~~ is hereby divided into five areas, ~~as follows~~:
    - ~~A.~~ a. (1) Area I includes ~~the counties of~~ Benson, Cavalier, Eddy, Foster, Grand Forks, Nelson, Pembina, Ramsey, Towner, Walsh, and Wells counties.
    - ~~B.~~ (2) Area II ~~shall include the counties of~~ includes Barnes, Cass, Dickey, Griggs, LaMoure, Ransom, Richland, Sargent, Steele, and Traill counties.
    - ~~C.~~ (3) Area III ~~shall include the counties of~~ includes Bottineau, Burke, Divide, McHenry, Mountrail, Pierce, Renville, Rolette, and Ward counties.
    - ~~D.~~ (4) Area IV ~~shall include the counties of~~ includes Burleigh, Emmons, Kidder, Logan, McIntosh, McLean, Morton, Oliver, Sheridan, Sioux, and Stutsman counties.

- ~~E.~~ (5) Area V shall include the counties of includes Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, McKenzie, Mercer, Stark, Slope, and Williams counties.
- b. One member of the committee must be elected from each of the five areas by vote of the members of the boards of supervisors of the ~~conservation~~ districts in that area. Every voting member of a board of supervisors of a ~~conservation~~ district organized under this chapter is eligible to vote in the election for a member of the committee in the area in which the district is located.
- c. Elections must be held under ~~regulations to be issued~~ rules adopted by the committee and in cooperation with and at the time of the North Dakota association of soil conservation districts area meetings. In those cases where the territory of a district does not lie wholly within the boundaries of one of the five areas established under this section, the ~~regulations~~ rules must provide for the assignment of ~~such the~~ district by the committee for the purposes of ~~such the~~ elections, to the area within which most of its population resides.
- d. The committee shall conduct the election of members of the committee ~~must be conducted by the committee and~~. The election need not be held on the same dates or in the same places as the general elections for state or local officers.
2. Appointive members:
3. ~~Two~~ The governor shall appoint two members of the committee ~~must be appointed by the governor, who~~. The governor shall select appointees appoint individuals who can represent those interests within the state not already represented, or less fully represented, by one or more of the five elected members of the committee. The governor shall attempt, so far as feasible, to make possible suitable representation for all interests in the state in the membership of the committee, including the interests of; ~~but not limited to~~, farmers, livestock growers, rural areas, small towns, cities, and industry and business, recognizing that any single member of the committee may sometimes appropriately be regarded as representing more than one of these interests.
4. The committee shall invite representatives of the state association of soil conservation districts, North Dakota ~~cooperative~~ state university extension service, ~~the~~ soil conservation service, ~~North Dakota~~ state water commission, ~~the~~ commissioner of agriculture, and ~~the~~ game and fish department to serve as advisory, nonvoting members of the committee.
5. The term of office of every member of the committee is three years and until a successor is elected or appointed. ~~The governor has the power to extend the terms of one or more members of the committee in office upon the effective date of this chapter, in order to provide for overlapping terms for the members of the committee.~~ A member of the committee is eligible for reelection and reappointment, but no member may serve for more than two full, successive terms. Vacancies The governor may fill a vacancy in either an elective or appointive terms ~~may be filled~~ term for the unexpired term ~~by appointment by the~~

governor. The committee shall keep a record of its official actions, shall adopt a seal, which seal must be judicially noticed, and may perform such acts, hold such public hearings, and adopt such rules as may be necessary for the execution of its functions under this chapter.

**SECTION 29. AMENDMENT.** Section 4-22-04 of the North Dakota Century Code is amended and reenacted as follows:

**4-22-04. Committee - Chairman - Quorum - Compensation - Provision for surety bonds and annual audit.** The committee shall meet annually and select its chairman; ~~who~~. The chairman shall serve for one year from the date of his selection and who is not eligible for a second term as chairman. Additional meetings may be held by the committee as considered necessary by the chairman, at a time and place to be fixed by the chairman. ~~Special~~ The chairman shall call special meetings must be called by the chairman upon written request of any four members. ~~A majority of the committee constitutes a quorum, and the concurrence of a majority in any matter within its duties is required for its determination.~~ The members of the committee ~~shall are entitled to~~ receive forty-five dollars per day as compensation for their services on the committee, and are entitled to expenses, including traveling expenses, necessarily incurred in the discharge of their duties on the committee, in the same manner and at the same rate as prescribed by law for state employees and officials. ~~The committee shall provide for the execution of surety bonds, which may be issued by the state bonding fund, for all employees who are entrusted with funds or property; shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions, rules, and orders issued or adopted; and shall provide for an annual audit of the accounts of receipts and disbursements.~~

**SECTION 30. AMENDMENT.** Section 4-22-06 of the North Dakota Century Code is amended and reenacted as follows:

**4-22-06. Duties and powers generally.** ~~In addition to the duties and powers hereinafter conferred upon the state soil conservation~~ The committee; it has the following duties and powers:

1. To offer such assistance as may be appropriate to the supervisors of ~~soil conservation~~ districts in the carrying out of any of their powers and programs.
2. To keep the supervisors of each of the several districts informed of the activities and experience of all other districts, and to facilitate an interchange of advice and experience between such districts and cooperation between them.
3. ~~To coordinate the programs of the several conservation districts so far as this may be done by advice and consultation.~~
4. To secure the cooperation and assistance of state, federal, regional, interstate, and local, public, and private agencies with ~~conservation~~ districts; and to facilitate arrangements under which ~~conservation~~ districts may assist or serve county governing bodies and other agencies in the administration of any activity concerned with the conservation of natural resources.
5. ~~To disseminate information throughout the state concerning the activities and programs of the soil conservation districts, and to encourage the formation of such districts in areas where their organization is desirable.~~

- ~~6.~~ ~~To review district programs, to coordinate the programs of the several districts, and to coordinate programs and activities as they relate to other special purpose districts.~~
7. 4. To review agreements, or forms of agreements, proposed to be entered into by districts with other districts or with state, federal, interstate, or other public or private organizations, and advise the districts concerning such agreements or forms of agreement.
- ~~8.~~ 5. To recommend to the inclusion in annual and longer term director biennial budgets of funds necessary from the legislative assembly to finance the activities of the committee and districts; and to distribute such moneys appropriated by the legislative assembly according to applicable state laws or regulations for grants to soil conservation districts.
- ~~9.~~ ~~To compile information and make studies, summaries, and other analyses of district programs in relation to each other and to other resource conservation programs on a statewide basis.~~
- ~~10.~~ 6. To represent the state in matters affecting soil conservation.
- ~~11.~~ 7. To require annual reports from conservation districts; ~~the form and content of which must be developed by the committee on consultation with district supervisors.~~
- ~~12.~~ 8. To establish uniform accounting methods which must be used by ~~soil conservation~~ districts, and to establish a uniform auditing reporting system.
- ~~13.~~ 9. ~~Pursuant to procedures developed mutually by the committee and other state and local agencies that are authorized to plan or administer activities significantly affecting the conservation of natural resources; to receive from such~~ To receive from other state and local agencies for review and comment suitable descriptions of their plans, programs, and activities affecting the conservation of natural resources for purposes of coordination with district conservation programs; to arrange for and participate in conferences necessary to avoid conflict among such plans and programs; to call attention to omissions; and to avoid duplication of effort.
- ~~14.~~ ~~To develop and administer policy guidelines which the districts shall follow in the operation of district activities.~~

**SECTION 31.** A new section to chapter 4-22 of the North Dakota Century Code is created and enacted as follows:

**Soil conservation - Duties.** The North Dakota state university extension service shall assist the committee in performing the committee's duties, within the limits of legislative appropriation. The director shall instruct extension agents to cooperate in the delivery of information and services to the districts.

<sup>18</sup> **SECTION 32. AMENDMENT.** Section 4-22-22 of the North Dakota Century Code is amended and reenacted as follows:

**4-22-22. Supervisors - Terms of office - Vacancies - Removal - Compensation - Expenses.** At the general election to be held in 1972, three district supervisors must be elected. The candidate receiving the largest number of votes is elected for a six-year term; the candidate receiving the second highest number of votes is elected for a four-year term; and the candidate receiving the third highest number of votes is elected for a two-year term. At each succeeding general election, one supervisor must be elected for a term of six years, or until the successor is duly elected and qualified, to each expiring or vacant term. In newly formed districts, three supervisors must be elected at the first general election following the district's organization. The candidate receiving the largest number of votes is elected for a six-year term; the candidate receiving the second highest number of votes is elected for a four-year term; and the candidate receiving the third highest number of votes is elected for a two-year term. At each succeeding general election, one supervisor must be elected for a term of six years, or until the successor is duly elected and qualified, to each expiring or vacant term. The county auditor of the county or counties in which the district lies shall return to the secretary of state within fifteen days following any general election a certified abstract of the votes cast in the county at such election for each candidate for district supervisor. At the time that the county auditor transmits the certified abstract of the votes cast for each candidate, the county auditor shall file with the secretary of state a certificate showing the name and address of each candidate.

In order to be eligible for election to the office of supervisor, candidates must be land occupiers and physically living in the district. Candidates must be elected on a nonpartisan ballot. In case the office of any supervisor, for any reason, becomes vacant, the remaining members of the board of supervisors shall, with the advice and consent of the state committee, fill the vacancy by appointment. If vacancies occur in the office of two supervisors, the remaining supervisor and the state committee shall fill the vacancy; and in case the offices of all supervisors of a district become vacant, the state committee shall fill the vacancies by appointment. A supervisor appointed to fill a vacancy holds office until the next general election. A supervisor elected to fill a vacancy serves the balance of the unexpired term in which the vacancy occurred.

Any soil conservation district, upon resolution of the three elected supervisors, may appoint two additional supervisors who shall serve for a term of one year from and after the date of their appointment. Such supervisors must be appointed by a majority of the three elected supervisors and have all the powers, voting privileges, duties, and responsibilities of elected supervisors, except that the expense allowances of the appointed supervisors must be paid by the local soil conservation district concerned. As far as possible, the appointed supervisors shall represent interests within the district which are not represented by the elected supervisors.

Any supervisor of a soil conservation district may, after notice given and hearing held in accordance with chapter 28-32, be removed from office by the state committee.

---

<sup>18</sup> Section 4-22-22 was also amended by section 1 of House Bill No. 1088, chapter 69, and section 2 of Senate Bill No. 2172, chapter 68.

The supervisors of soil conservation districts are entitled to receive, upon a majority vote of the supervisors, twenty-five dollars for attending each regular or special meeting as compensation for their services. Supervisors of soil conservation districts are entitled to receive travel and subsistence expenses necessarily incurred in attending district, state, or other meetings approved by the state soil conservation committee; ~~which expenses must be paid from appropriations available to the state committee.~~ The compensation and all other expenses including travel incurred by district supervisors while transacting district business and not specifically authorized by the state soil conservation committee must be paid from district funds.

**SECTION 33. AMENDMENT.** Section 4-22-47 of the North Dakota Century Code is amended and reenacted as follows:

**4-22-47. Consolidation of districts - Petition - Referendum - Conduct of referendum.** Two or more ~~soil conservation~~ districts may be consolidated into one district by compliance with ~~the provisions of~~ this chapter. A petition ~~or petitions~~ for consolidation of soil conservation districts must be filed with the ~~secretary of the~~ state soil conservation committee and must be signed by at least twenty-five qualified electors living in each district. Upon the filing of ~~such a~~ petition ~~or petitions~~, the ~~state~~ committee ~~shall~~ by resolution ~~shall~~ fix a date for a referendum to be held in each ~~such~~ the district and shall direct the ~~board of supervisors thereof~~ to cause notice of ~~such~~ the referendum to be posted in at least five conspicuous places within the district and to be published once each week for two consecutive weeks ~~prior to~~ before the referendum in a newspaper of general circulation ~~therein in the districts involved.~~ Only qualified electors living within the district are eligible to vote at the referendum. ~~Such~~ The notice must state the date of the referendum, ~~the~~ identify each polling place ~~or places~~ for holding ~~such the~~ referendum, the time when the polls will open and close, and the question to be submitted to the qualified electors. ~~Such~~ The notice must be substantially in the following form:

Notice is hereby given that ~~on~~ On the \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_ a referendum will be held at \_\_\_\_\_

(Designate polling place or places)

for the purpose of submitting to the qualified electors within \_\_\_\_\_ soil conservation district

(Name of district)

the question as to whether \_\_\_\_\_ soil conservation districts

(Names of districts)

embracing the following townships \_\_\_\_\_

(Designate townships, by number and range)

shall be consolidated into one soil conservation district.

The ballot ~~will~~ must be in the following form:

Shall \_\_\_\_\_ soil conservation districts embracing the

(Names of districts)

following townships \_\_\_\_\_ be

(Designate townships, by number and range)

consolidated into one soil conservation district?

Yes \_\_\_\_\_

No \_\_\_\_\_

The board of supervisors of the district shall appoint the board of election for each polling place ~~must be appointed by the board of supervisors of the district and consists.~~ The board of election must consist of one inspector, one judge, and one clerk. Members of such the election board shall ~~are entitled to receive the sum of~~ five dollars for their services.

<sup>19</sup> **SECTION 34. AMENDMENT.** Section 4-22-48 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-22-48. Conduct of referendum - Canvass of votes.** A referendum upon the question of consolidating two or more soil conservation districts must be conducted in accordance with the laws of the state prescribing the conduct of general elections. After the polls are closed, the board of election shall ~~proceed to~~ canvass the votes and the clerk of the board shall certify to the board of supervisors of the clerk's district and to the state committee the result of the referendum. ~~The clerk shall then securely wrap the ballots cast at the referendum and shall express or mail the ballots to the secretary of the state committee. The committee shall also canvass the ballots and verify the result. The secretary of the committee shall file the ballots in the secretary's office. Upon the expiration of two years after such ballots were canvassed by the state committee they may be destroyed. The state committee shall publish the results of the referendum after having canvassed the ballots and if the committee finds that~~ If a majority of the ballots cast on the question in each district are for consolidation, the committee shall file with the secretary of state a statement certifying that the consolidated district has been duly and regularly established.

**SECTION 35. REPEAL.** Section 4-22-05 of the 1995 Supplement to the North Dakota Century Code is repealed.

**SECTION 36. EMERGENCY.** The equipment line item in subdivision 8 of section 1 of this Act is declared to be an emergency measure.

Approved April 11, 1997  
Filed April 11, 1997

---

<sup>19</sup> Section 4-22-48 was also amended by section 3 of Senate Bill No. 2172, chapter 68.