

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED SENATE BILL NO. 2206**

Introduced by

Senators Dever, J. Lee, Murphy

Representatives Holman, Owens, Weisz

1 A BILL for an Act to create and enact sections 50-06-05.8 and 50-06-20.1 of the North Dakota  
2 Century Code, relating to the department of human services assuming certain costs of certain  
3 social service programs and to the establishment of a human services grant program; to amend  
4 and reenact sections 11-23-01, 50-01.2-00.1, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14,  
5 subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7 of the North  
6 Dakota Century Code, relating to county social service board budgets and programs funded at  
7 state expense and reduction of county property tax levy authority for social service board  
8 budgets to reflect county savings from programs funded at state expense; to repeal sections  
9 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North Dakota Century Code, relating to the  
10 county's share of medical assistance for therapeutic foster care, service payments to the elderly  
11 and disabled, and the county share of foster care costs; to provide for a legislative management  
12 study; to provide an effective date; and to declare an emergency.

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

14 **SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **11-23-01. Officers required to furnish commissioners with departmental budget.**

17 1. Every officer in charge of any institution, office, or undertaking supported wholly or in  
18 part by the county shall file with the board of county commissioners a departmental  
19 budget that is prescribed by the state auditor. The departmental budget must include  
20 an itemized statement of the estimated amount of money that will be required for the  
21 maintenance, operation, or improvement of the institution, office, or undertaking for the  
22 ensuing year. The board of county commissioners may require additional information  
23 to clarify the departmental budget.

1       2.   a.   The departmental budget submitted by the county social service board in 2015  
2           for the 2016 budget may not exceed an amount determined using the  
3           departmental budget submitted in 2014 by the county social service board as a  
4           starting point, subtracting the reduction in the county's social service funding  
5           responsibility for 2014 derived from transferring the county social service costs  
6           identified in this subdivision from the county social service board to the  
7           department of human services, and applying to the resulting amount the  
8           percentage salary and benefits increase provided by legislative appropriations for  
9           state employees for taxable year 2015. For purposes of this subdivision, the  
10          reduction in the county's social service funding responsibility derived from  
11          transferring the county social service costs identified in this subdivision from the  
12          county social service board to the department of human services includes the  
13          following:

- 14           (1)   Foster care and subsidized adoption costs that would have been paid by the  
15            county after December 31, 2015;
- 16           (2)   The county's share of grant costs for medical assistance in the form of  
17            payments for care furnished to recipients of therapeutic foster care services  
18            which would have been paid by the county after December 31, 2015;
- 19           (3)   The county's share of the costs for service payments to the elderly and  
20            disabled which would have been paid by the county after December 15,  
21            2015;
- 22           (4)   The county's share of salary and benefits for family preservation services  
23            pursuant to section 50-06-05.8 which would have been paid by the county  
24            after December 31, 2015;
- 25           (5)   The county's share of the cost of the electronic benefits transfers for the  
26            supplemental nutrition assistance program which would have been paid by  
27            the county after December 31, 2015; and
- 28           (6)   The computer processing costs which would have been paid by the county  
29            after December 31, 2015, which exceed the county's costs of operation of  
30            the technical eligibility computer system in calendar year 1995 increased by

1                   the increase in the consumer price index for all urban consumers (all items,  
2                   United States city average) after January 1, 1996.

3           b.   The departmental budget submitted by the county social service board in 2016  
4           for the 2017 budget may not exceed an amount determined using the 2015  
5           departmental budget as a starting point and applying to that amount the  
6           percentage salary and benefits increase provided by legislative appropriations for  
7           state employees for 2016.

8           c.   The budget must include a statement identifying the total savings to the county  
9           as shown by a reduction in the amounts that otherwise would have been paid by  
10          the county to the department of human services for the costs identified in  
11          subdivision a. The department of human services shall determine the appropriate  
12          amount of what each county's costs would have been to help identify each  
13          county's total savings.

14               The county share of the human service budget must be funded entirely from  
15               the county's property tax levy for that purpose and the county may not use funds  
16               from any other source to supplement the human services budget, with the  
17               exception that the county may make use of the identifiable amount of other  
18               sources the county has used to supplement its human services budget for 2015  
19               and the county may use grant funds that may be available to the county under  
20               section 50-06-20.1.

21          d.   The department of human services shall develop a process to review a request  
22          from a county social service board for any proposed increase in staff needed as a  
23          result of significantly increased caseloads for state-funded human services  
24          programs, if the increase in staff would result in the county exceeding the budget  
25          limitation established under this subsection. As part of its review process, the  
26          department shall review countywide caseload information and consider the option  
27          of multicounty sharing of staff. If the department approves a request for a  
28          proposed increase in staff, the county budget limitation established under  
29          subdivision b may be increased by the amount determined necessary by the  
30          department to fund the approved additional staff.

1       **SECTION 2. AMENDMENT.** Section 50-01.2-00.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **50-01.2-00.1. Definitions.**

4       In this chapter, unless the context otherwise requires:

- 5       1. "Department" means the department of human services.
- 6       2. "Local expenses of administration" includes costs for personnel, space, equipment,  
7       computer software, materials, travel, utilities, and related costs, and the indirect costs  
8       properly allocated to those costs. The term does not include initial acquisition of  
9       computers and related hardware approved by the department for the temporary  
10       assistance for needy families program, custom computer programs, custom software  
11       development, computer operations undertaken at the direction of the department, and  
12       computer processing costs ~~to the extent those costs exceed, in any calendar year, that~~  
13       ~~county's costs of operation of the technical eligibility computer system in calendar year~~  
14       ~~1995 increased by the increase in the consumer price index for all urban consumers~~  
15       ~~(all items, United States city average) after January 1, 1996,~~ or, unless agreed to by  
16       the county social service board, any costs related to pilot programs before the  
17       programs are implemented on a statewide basis.
- 18       3. "Locally administered economic assistance programs" means those primary economic  
19       assistance programs that need to be accessible to all citizens of the state through a  
20       county social service office and include:
  - 21       a. Temporary assistance for needy families;
  - 22       b. Employment and training programs;
  - 23       c. Child care assistance programs;
  - 24       d. Medical assistance, including early periodic screening, diagnosis, and treatment;
  - 25       e. Supplemental nutrition assistance programs, including employment and training  
26       programs;
  - 27       f. Refugee assistance programs;
  - 28       g. Basic care services;
  - 29       h. Energy assistance programs; and
  - 30       i. Information and referral.

1       **SECTION 3. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **50-03-08. Appropriation for county social service board administration and of locally**  
4 **administered economic assistance programs.**

5       The board of county commissioners of each county annually shall appropriate and make  
6 available to the human services fund an amount sufficient to pay:

- 7       1. ~~The the local expenses of administration of locally administered economic assistance~~  
8       ~~programs;~~
- 9       2. ~~That county's share of fifteen percent of the amount expended in this state, in excess~~  
10       ~~of the amount provided by the federal government, for medical assistance in the form~~  
11       ~~of payments for care furnished to recipients of therapeutic foster care services; and~~
- 12       3. ~~That county's share of the cost of other family preservation services, including~~  
13       ~~intensive in-home services, provided under title VI-B, subpart 2, of the Social Security~~  
14       ~~Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et~~  
15       ~~seq.], as amended, as may be agreed to by the department and the county social~~  
16       ~~service board.~~

17       **SECTION 4.** Section 50-06-05.8 of the North Dakota Century Code is created and enacted  
18 as follows:

19       **50-06-05.8. Department to assume certain costs of certain social service programs.**

20       Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in  
21 addition to the programs identified in section 50-06-20, the department of human services shall  
22 pay the local expenses of administration incurred by a county after December 31, 2015, for  
23 family preservation programs; a county's share of the cost of the electronic benefits transfers for  
24 the supplemental nutrition assistance program incurred after December 31, 2015; and the  
25 computer processing costs incurred by the county after December 31, 2015, which exceed the  
26 county's costs of operation of the technical eligibility computer system in calendar year 1995  
27 increased by the increase in the consumer price index for all urban consumers (all items, United  
28 States city average) after January 1, 1996.

29       **SECTION 5. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **50-06-20. Programs funded at state expense - Interpretation.**

2       1. The state shall bear the cost, in excess of the amount provided by the federal  
3       government, of:

4       a. ~~Except as~~As provided in section 50-24.1-14, medical assistance services  
5       provided under chapter 50-24.1;

6       b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of  
7       section 50-06-05.1;

8       c. Supplements provided under chapter 50-24.5 as basic care services;

9       d. ~~Services provided under chapter 50-09 as child care assistance;~~

10      e. ~~Services provided under chapter 50-09 as employment and training~~  
11      programsServices, programs, and costs listed in section 50-09-27;

12      f.e. Welfare fraud detection programs;

13      g. ~~Temporary assistance for needy families;~~ and

14      h.f. Special projects approved by the department and agreed to by any affected  
15      county social service board.

16      2. The state shall bear the costs of amounts expended for service payments to the  
17      elderly and disabled.

18      3. This section does not grant any recipient of services, benefits, or supplements  
19      identified in subsection 1, any service, benefit, or supplement that a recipient could not  
20      claim in the absence of this section.

21      **SECTION 6.** Section 50-06-20.1 of the North Dakota Century Code is created and enacted  
22      as follows:

23      **50-06-20.1. Human services grant program - Eligible counties - Reports.**

24      1. If the authority for counties to use emergency expenditures to address an emergency  
25      created by unusual and unanticipated demands on the counties' human services fund  
26      under chapter 50-03 is eliminated, the department shall establish a grant program to  
27      assist certain counties. An eligible county is one that historically has utilized the  
28      emergency expenditures process set forth in chapter 50-03 and which is adjacent to or  
29      part of an Indian reservation in this state, which contains Indian trust lands within the  
30      service area of a federally recognized Indian tribe which are occupied by enrolled

- 1 members of that tribe, or which includes the state hospital created pursuant to  
2 subsection 8 of section 12 of article IX of the Constitution of North Dakota.  
3 2. The grant program established in this section must be implemented through  
4 rulemaking under chapter 28-32. The department may adopt emergency rules, without  
5 application of the grounds for emergency rulemaking otherwise required under section  
6 28-32-03, to set out the policies and procedures for the disbursement of grants and  
7 may not award more than one million nine hundred thousand dollars during the first  
8 year of a biennium, and no more than two million dollars during the second year of a  
9 biennium. The department shall notify a county of its approved funding no later than  
10 September first of each year of the biennium. The department shall issue an annual  
11 payment to counties receiving funds under this chapter in January of each year of the  
12 biennium.  
13 3. The department shall report to the budget section annually and to the appropriations  
14 committees of the sixty-fifth legislative assembly and each succeeding legislative  
15 assembly on the funding approved under this section.

16 **SECTION 7. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **50-09-27. Programs funded at state expense - Interpretation.**

- 19 1. The state shall bear the cost, in excess of the amount provided by the federal  
20 government, of:  
21 a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care  
22 assistance;  
23 b. Services provided under this chapter as employment and training programs; ~~and~~  
24 c. Temporary assistance for needy families benefits provided under this chapter;  
25 and  
26 d. Foster care and subsidized adoption costs under this chapter.  
27 2. This section does not grant any recipient of services, benefits, or supplements  
28 identified in subsection 1, any service, benefit, or supplement that a recipient could not  
29 claim in the absence of this section.

30 **SECTION 8. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1       **50-24.1-14. Responsibility for expenditures –Exceptions.**

2       1. ~~Except as otherwise specifically provided in subsection 2 and section 50-03-08,~~  
3       expenditures Expenditures required under this chapter are the responsibility of the  
4       federal government or the state of North Dakota.

5       2. ~~Each county shall reimburse the department of human services the amount required to~~  
6       ~~be appropriated under subsection 3 of section 50-03-08.~~

7       **SECTION 9. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota  
8       Century Code is amended and reenacted as follows:

9       3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
10       levy under this section must be specifically approved by a resolution approved by the  
11       governing body of the taxing district. Before determining the levy limitation under this  
12       section, the dollar amount levied in the base year must be:

13       a. Reduced by an amount equal to the sum determined by application of the base  
14       year's calculated mill rate for that taxing district to the final base year taxable  
15       valuation of any taxable property and property exempt by local discretion or  
16       charitable status which is not included in the taxing district for the budget year but  
17       was included in the taxing district for the base year.

18       b. Increased by an amount equal to the sum determined by the application of the  
19       base year's calculated mill rate for that taxing district to the final budget year  
20       taxable valuation of any taxable property or property exempt by local discretion or  
21       charitable status which was not included in the taxing district for the base year  
22       but which is included in the taxing district for the budget year.

23       c. Reduced to reflect expired temporary mill levy increases authorized by the  
24       electors of the taxing district. For purposes of this subdivision, an expired  
25       temporary mill levy increase does not include a school district general fund mill  
26       rate exceeding one hundred ten mills which has expired or has not received  
27       approval of electors for an extension under subsection 2 of section 57-64-03.

28       d. If the base year is a taxable year before 2013, reduced by the amount of state aid  
29       under chapter 15.1-27, which is determined by multiplying the budget year  
30       taxable valuation of the school district by the lesser of:

31       (1) The base year mill rate of the school district minus sixty mills; or



1                   (2) Fifty mills.

2                   e. If the base year is a taxable year before 2016, the base year human services  
3                   county levy in dollars must be reduced to the amount of the county social service  
4                   board budget levy for the budget year as determined under section 11-23-01.

5                   **SECTION 10. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7                   34. Counties levying an annual tax for human services purposes as provided in section  
8                   50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of  
9                   mills determined by dividing the county budget limitation in dollars as determined  
10                   under section 11-23-01 by the taxable valuation of the county.

11                   **SECTION 11. REPEAL.** Sections 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North  
12 Dakota Century Code are repealed.

13                   **SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SOCIAL SERVICES FINANCE**  
14 **PROGRAM TRANSITION.**

15                   1. During the 2015-16 interim, the legislative management shall conduct a study to  
16                   develop a proposed transition plan for transferring the costs of operating social  
17                   services programs from county property tax levies to state general fund  
18                   appropriations.

19                   2. If a county social services finance working group is established, upon request of the  
20                   legislative management the working group shall report its progress and findings. The  
21                   membership of the working group may include:

22                   a. The director of the department of human services or the director's designee;

23                   b. The chief financial officer of the department of humans services;

24                   c. Two members representing elected county officials identified in section 11-10-02  
25                   as selected by the North Dakota association of counties;

26                   d. The tax commissioner or the commissioner's designee;

27                   e. The director of the office of management and budget or the director's designee;

28                   f. Two county social services directors selected by the North Dakota county social  
29                   services directors association; and

30                   g. One member representing the North Dakota association of counties.

- 1           3. Under this section, a proposed transition plan must include a timeline for the major  
2           milestones of the transition plan, considerations for the transition, estimated costs, a  
3           plan to require a property tax reduction for the amount of the budgeted savings  
4           brought about by the transfer of county social services costs to the state, a plan  
5           resulting in the elimination of the county social services levy under section 50-06.2-05,  
6           and potential legislation to implement recommended changes. The study must include  
7           consideration of the feasibility of implementing the proposed transition plan.
- 8           4. The legislative management shall report its findings and recommendations, together  
9           with any legislation required to implement the recommendations, to the sixty-fifth  
10          legislative assembly.

11          **SECTION 13. EFFECTIVE DATE.** Sections 1, 9, and 10 of this Act become effective on  
12          August 1, 2015. Sections 2, 3, 4, 5, 7, 8, and 11 of this Act are effective for taxable years  
13          beginning after December 31, 2015.

14          **SECTION 14. EMERGENCY.** Section 6 of this Act is declared to be an emergency  
15          measure.