

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2014

Page 1, line 3, remove the third "to"

Page 1, remove lines 4 through 7

Page 1, line 8, remove "tax credits;"

Page 1, line 8, replace the first comma with "and"

Page 1, line 8, after the second comma insert "subsection 3 of section 54-17-07.3, and sections"

Page 1, line 8, after the third comma insert "54-18-19,"

Page 1, line 9, remove "occupational or"

Page 1, line 10, replace "professional" with "recreational"

Page 1, line 10, after the second comma insert "North Dakota mill and elevator profits,"

Page 1, line 11, replace "section" with "sections 6-09-50, 54-17-40,"

Page 1, line 11, after "54-17-41" insert ", and 54-18-20"

Page 1, line 11, after "Code" insert "and sections 16, 26, and 27 of chapter 14 of the 2015 Session Laws"

Page 1, line 11, after the second "to" insert "a financial center project, the housing incentive fund,"

Page 1, line 12, after "reports" insert ", and a gain-sharing program"

Page 1, line 12, after the second semicolon insert "to provide for a report to the legislative management;"

Page 1, line 13, remove "and"

Page 1, line 13, after the second "date" insert "; and to declare an emergency"

Page 2, replace lines 1 through 8 with:

"Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
Operating expenses	4,779,135	1,526,753	6,305,888
Grants - bond payments	15,040,829	(1,830,345)	13,210,484
Contingencies	0	221,737	221,737
Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
Less estimated income	16,994,447	(651,241)	16,343,206
Total general fund	\$24,957,746	\$451,241	\$25,408,987
Full-time equivalent positions	116.75	(6.50)	110.25"

Page 2, replace lines 13 through 15 with:

"Bank of North Dakota operations	\$58,542,301	(\$253,097)	\$58,289,204
Capital assets	745,000	65,000	810,000
Total special funds	\$59,287,301	(\$188,097)	\$59,099,204"

Page 2, replace lines 21 through 25 with:

"Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
Operating expenses	27,327,000	868,000	28,195,000
Contingencies	500,000	0	500,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519"

Page 2, remove line 31

Page 3, replace lines 1 through 5 with:

"Salaries and wages	\$7,745,034	(\$107,655)	\$7,637,379
Operating expenses	3,744,275	999,080	4,743,355
Grants	25,930,780	5,864,048	31,794,828
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$37,520,089	\$6,755,473	\$44,275,562
Full-time equivalent positions	46.00	(4.00)	42.00"

Page 3, replace lines 10 through 12 with:

"Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
Grand total special funds	<u>178,117,735</u>	<u>9,813,756</u>	<u>187,931,491</u>
Grand total all funds	\$203,075,481	\$10,264,997	\$213,340,478

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$1,319,354, of which \$292,009 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 5, line 5, replace "\$1,254,462" with "\$221,737"

Page 5, line 5, replace "six" with "two"

Page 5, line 9, remove "the thresholds identified in this section. Of the \$1,254,462 and the six full-time"

Page 5, replace lines 10 through 18 with:

"eighteen thousand two hundred. Subject to budget section approval, the industrial commission may spend \$221,737 from the contingencies line item and may hire two full-time equivalent positions, one of which may be hired after May 31, 2018, and one of which may be hired after November 30, 2018, if the total number of wells capable of production and injection exceeds eighteen thousand two hundred."

Page 5, line 20, replace "\$1,103,986" with "\$1,103,779"

Page 7, line 11, replace "thirteen" with "thirty"

Page 7, line 20, remove the overstrike over "~~Suspension of~~"

Page 7, line 21, after "**license**" insert "**recreational licenses**"

Page 7, line 21, remove the overstrike over "~~for nonpayment of defaulted state guaranteed student loans~~"

Page 7, line 22, remove the overstrike over "4."

Page 7, line 29, remove the overstrike over "2."

Page 8, line 15, after the overstruck period insert "The court may withhold or suspend any certificate, permit, or license issued by lottery, tag, electronically, or over the counter by the director of the game and fish department which the judgment debtor is required to obtain before engaging in a recreational activity. Following a decision to withhold or suspend a judgment debtor's certificate, permit, or license for failure to repay a state guaranteed student loan, the court shall notify the judgment debtor that the decision becomes final thirty days after the notification unless the judgment debtor satisfies or makes arrangements to pay the entire outstanding payment due or makes regular payment on the judgment in a manner and at times satisfactory to the court. The court shall notify the director of the game and fish department of the court's decision to withhold or suspend a debtor's certificate, permit, or license. A certificate, permit, or license withheld or suspended by an order issued under this section may be reissued only by order of the court. An appeal by a debtor who has had a certificate, permit, or license suspended or withheld under this section is an appeal from the court's order and may not be appealed to the director of the game and fish department."

Page 8, replace lines 16 through 21 with:

"SECTION 19. AMENDMENT. Subsection 3 of section 54-17-07.3 of the North Dakota Century Code is amended and reenacted as follows:

3. Multifamily housing finance program. A program or programs to provide financing directly or indirectly of construction, permanent, and combined construction and permanent mortgage loans, including participations in mortgage loans, for the acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of multifamily housing facilities. As part of the program, the industrial commission, acting in its capacity as a state housing finance agency, may enter a public and private partnership with any interested private entity and accept any gift, grant, or other type of financial aid or assistance, ~~including a contribution to the housing incentive fund,~~ to provide financing for the construction or rehabilitation of a multifamily housing facility in a developing community in the state to address an unmet housing need or alleviate a housing shortage. A private entity participating in this program may reserve a proportionate share of available units in the facility for occupancy by its workforce based on its financial participation in the facility, in addition to any units held for occupancy by individuals or families of low or moderate income."

Page 10, remove lines 30 and 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 30

Page 13, remove lines 1 through 31

Page 14, replace lines 1 through 22 with:

"SECTION 21. AMENDMENT. Section 54-18-19 of the North Dakota Century Code is amended and reenacted as follows:

54-18-19. Transfer of North Dakota mill and elevator profits to general fund.

The industrial commission shall transfer to the state general fund ~~fifty~~seventy-five percent of the annual earnings and undivided profits of the North

Dakota mill and elevator association after any transfers to other state agricultural-related programs. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget."

Page 19, line 3, replace "Section" with "Sections"

Page 19, line 3, after "54-17-41" insert "and 54-18-20"

Page 19, line 3, replace "is" with "are"

Page 19, after line 3, insert:

"SECTION 24. REPEAL. Section 6-09-50 of the North Dakota Century Code and sections 16, 26, and 27 of chapter 14 of the 2015 Session Laws are repealed.

SECTION 25. REPEAL. Section 54-17-40 of the North Dakota Century Code is repealed."

Page 19, remove lines 21 through 26

Page 20, replace lines 13 through 15 with:

"SECTION 30. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF NORTH DAKOTA. The Bank of North Dakota may not construct a North Dakota financial center on a site adjacent to the existing building on which the Bank of North Dakota is located related to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in sections 2 and 26 of chapter 14 of the 2015 Session Laws.

SECTION 31. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the industrial commission shall conduct a study in consultation with the game and fish department, the state department of health, and the state water commission regarding the feasibility of and appropriate jurisdiction for regulation of sediment studies and dredging operations from the beds of reservoirs that retain more than fifty acre-feet of surface water. The industrial commission shall report to the legislative management by September 30, 2018, regarding the results and recommendations of the study.

SECTION 32. EFFECTIVE DATE. Sections 19 and 25 of this Act become effective December 31, 2018.

SECTION 33. EXPIRATION DATE. Section 21 of this Act is effective through June 30, 2019, and after that date is ineffective.

SECTION 34. EMERGENCY. Sections 24 and 30 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Industrial Commission				
Total all funds	\$41,952,193	\$42,809,180	(\$1,056,987)	\$41,752,193
Less estimated income	16,994,447	16,344,658	(1,452)	16,343,206

General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987
Bank of North Dakota				
Total all funds	\$59,287,301	\$59,336,944	(\$237,740)	\$59,099,204
Less estimated income	59,287,301	59,336,944	(237,740)	59,099,204
General fund	\$0	\$0	\$0	\$0
Housing Finance Agency				
Total all funds	\$37,520,089	\$44,539,570	(\$264,008)	\$44,275,562
Less estimated income	37,520,089	44,539,570	(264,008)	44,275,562
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$64,315,898	\$68,245,245	(\$31,726)	\$68,213,519
Less estimated income	64,315,898	68,245,245	(31,726)	68,213,519
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$203,075,481	\$214,930,939	(\$1,590,461)	\$213,340,478
Less estimated income	178,117,735	188,466,417	(534,926)	187,931,491
General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987

Senate Bill No. 2014 - Industrial Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$22,132,229	\$22,038,346	(\$24,262)	\$22,014,084
Operating expenses	4,779,135	6,305,888		6,305,888
Grants - Bond payments	15,040,829	13,210,484		13,210,484
Contingencies		1,254,462	(1,032,725)	221,737
Total all funds	\$41,952,193	\$42,809,180	(\$1,056,987)	\$41,752,193
Less estimated income	16,994,447	16,344,658	(1,452)	16,343,206
General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987
FTE	116.75	114.25	(4.00)	110.25

Department No. 405 - Industrial Commission - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Contingent FTE Positions ²	Total House Changes
Salaries and wages	(\$24,262)		(\$24,262)
Operating expenses			
Grants - Bond payments			
Contingencies		(1,032,725)	(1,032,725)
Total all funds	(\$24,262)	(\$1,032,725)	(\$1,056,987)
Less estimated income	(1,452)	0	(1,452)
General fund	(\$22,810)	(\$1,032,725)	(\$1,055,535)
FTE	0.00	(4.00)	(4.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Contingent funding and authorization for FTE positions are adjusted to provide \$221,737 from the general fund and 2 FTE positions. The funding and FTE positions are authorized, subject to Budget Section approval, if the total number of wells capable of production and injection exceeds 18,200 wells as identified in Section 7 of the bill.

This amendment also includes the following changes related to the Industrial Commission:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.
- Identifies \$221,737 from the general fund and 2 FTE positions included in the appropriation as contingent funding and contingent FTE position authorization. The funding and FTE positions are authorized, subject to Budget Section approval, if the total number of wells capable of production and injection exceeds 18,200 wells. One position may be hired after May 31, 2018, and another position may be hired after November 30, 2018. The Senate provided \$1,254,462 from the general fund and 6 FTE positions.
- Allows the Industrial Commission to transfer up to \$1,103,779 from special funds from the entities under the control of the Industrial Commission for administrative services. The transfer was adjusted for the health insurance adjustment compared to the transfer of \$1,103,986 provided by the Senate.
- Adds a section requiring the Industrial Commission, in consultation with the Game and Fish Department, the State Department of Health, and the State Water Commission, to study lake bed sedimentation and to report the results to the Legislative Management.

Senate Bill No. 2014 - Bank of North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Capital assets	\$745,000	\$810,000		\$810,000
Bank of North Dakota operations	58,542,301	58,526,944	(237,740)	58,289,204
Total all funds	\$59,287,301	\$59,336,944	(\$237,740)	\$59,099,204
Less estimated income	59,287,301	59,336,944	(237,740)	59,099,204
General fund	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50

Department No. 471 - Bank of North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Reduces Funding for Salaries and Wages ²	Total House Changes
Capital assets			
Bank of North Dakota operations	(37,740)	(200,000)	(237,740)
Total all funds	(\$37,740)	(\$200,000)	(\$237,740)
Less estimated income	(37,740)	(200,000)	(237,740)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is reduced for salaries and wages by \$200,000.

This amendment also includes the following changes related to the Bank of North Dakota:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.

- Authorizes the Bank of North Dakota to charge up to 30 percent of accumulated principal and interest on defaulted student loans. The Senate provided authorization to charge up to 13 percent.
- Provides the authority to suspend a recreational license when the licensee's student loans are in default. The Senate removed the authority to suspend an occupational or professional license.
- Repeals the references to the North Dakota financial center, which were included in 2015 House Bill No. 1014, and provides an emergency clause related to the repeal.
- Prohibits the Bank of North Dakota from constructing a financial center and provides an emergency clause related to the prohibition.

Senate Bill No. 2014 - Housing Finance Agency - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$7,745,034	\$7,901,387	(\$264,008)	\$7,637,379
Operating expenses	3,744,275	4,743,355		4,743,355
Grants	25,930,780	31,794,828		31,794,828
HFA contingencies	100,000	100,000		100,000
Total all funds	\$37,520,089	\$44,539,570	(\$264,008)	\$44,275,562
Less estimated income	37,520,089	44,539,570	(264,008)	44,275,562
General fund	\$0	\$0	\$0	\$0
FTE	46.00	46.00	(4.00)	42.00

Department No. 473 - Housing Finance Agency - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes FTE Positions ²	Removes Additional FTE Positions ³	Total House Changes
Salaries and wages	(\$9,331)		(\$254,677)	(\$264,008)
Operating expenses				
Grants				
HFA contingencies				
Total all funds	(\$9,331)	\$0	(\$254,677)	(\$264,008)
Less estimated income	(9,331)	0	(254,677)	(264,008)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	(2.00)	(2.00)	(4.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Authorization for 2 FTE positions is removed. Funding for 2 FTE positions, including a housing program administrator position and a housing program representative, was removed by the Senate.

³ Funding of \$254,677 and 2 FTE positions are removed, including a housing program specialist position and a housing program administrator position.

This amendment also includes the following changes related to the Housing Finance Agency:

- Continues the housing incentive fund through December 31, 2018, after which all references to the housing incentive fund are repealed.
- Removes a section added by the Senate to provide up to \$5 million of income tax credits for contributions to the housing incentive fund which would have reduced general fund revenues by

\$2.5 million for individual income tax collections and \$2.5 million for corporate income tax collections.

- Removes a section added by the Senate to establish the essential service worker home ownership incentive fund and to identify the uses of the fund.
- Removes a section added by the Senate to provide up to \$500,000 of income tax credits for contributions to the essential service worker home ownership incentive fund which would have reduced general fund revenues by \$250,000 for individual income tax collections and \$250,000 for corporate income tax collections.
- Removes a section added by the Senate to identify 50 percent of the contributions to the essential service worker home ownership fund for planning regions 1 and 8 and the remaining contributions for the other planning areas.
- Removes a section added by the Senate to provide an effective date and expiration date related to the housing incentive fund and the essential service worker home ownership incentive fund tax credits.

Senate Bill No. 2014 - Mill and Elevator - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$36,278,898	\$39,340,245	(\$31,726)	\$39,308,519
Operating expenses	27,327,000	28,195,000		28,195,000
Contingencies	500,000	500,000		500,000
Agriculture promotion	210,000	210,000		210,000
Total all funds	\$64,315,898	\$68,245,245	(\$31,726)	\$68,213,519
Less estimated income	64,315,898	68,245,245	(31,726)	68,213,519
General fund	\$0	\$0	\$0	\$0
FTE	147.00	153.00	0.00	153.00

Department No. 475 - Mill and Elevator - Detail of House Changes

	Adjusts Funding for Health Insurance Increases¹	Total House Changes
Salaries and wages	(\$31,726)	(\$31,726)
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	(\$31,726)	(\$31,726)
Less estimated income	(31,726)	(31,726)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

This amendment also includes the following changes related to the Mill and Elevator Association:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.
- Amends North Dakota Century Code Section 54-18-19 to increase the annual transfer of Mill and Elevator profits to the general fund from 50 to 75 percent for the 2017-19 biennium resulting in

an increase of \$6,188,868 to 2017-19 biennium estimated general fund revenue, from \$12,377,736 to \$18,566,604.

- Section 22 repeals Section 54-18-20 which authorizes a gain-sharing program. The removal of the gain-sharing program may affect the profits available for transfer to the agricultural products utilization fund and the general fund, but the amounts cannot be determined.