

JOURNAL OF THE HOUSE

Sixty-fifth Legislative Assembly

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Bismarck, April 25, 2017

The House convened at 8:00 a.m., with Speaker Bellew presiding.

The prayer was offered by Rep. Karen Rohr, District 31.

The roll was called and all members were present except Representatives Boe, Grueneich, and Simons.

A quorum was declared by the Speaker.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SCHMIDT MOVED that the conference committee report on Engrossed SB 2009 as printed on HJ pages 1870-1871 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2009, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2009: A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; and to create and enact a new section to chapter 4-02.1 of the North Dakota Century Code, relating to facility operations and maintenance costs of the state fair association.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dobervich; Dockter; Ertelt; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke

NAYS: Devlin; Johnston; Kasper; Magrum; Speaker Bellew

ABSENT AND NOT VOTING: Boe; Grueneich; Simons

Engrossed SB 2009, as amended, passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, unchanged: HCR 3037.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2009.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1018.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2020.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1008.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1008.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2020.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2019, SB 2206.

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Sorvaag, Kilzer, Mathern and Reps. Kempenich, Delmore, Weisz) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1492-1509, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1492-1509 of the House Journal and pages 1231-1248 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 1, after "general" insert "; to provide a contingent appropriation"

Page 1, line 2, remove "and to provide a report to the office of management and budget and the"

Page 1, line 3, replace "legislative council" with "to authorize fees; to create and enact a new section to chapter 53-06.1 of the North Dakota Century Code, relating to electronic pull tab device requirements; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a statement of legislative intent; to provide for reports; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$40,503,865	\$675,178	\$41,179,043
Operating expenses	24,672,585	(8,315,304)	16,357,281"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"
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Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"
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Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost-share program	0	315,000	315,000
Total all funds	\$83,714,313	(\$7,801,153)	\$75,913,160
Less estimated income	35,247,452	(4,005,132)	31,242,320
Total general fund	\$48,466,861	(\$3,796,021)	\$44,670,840
Full-time equivalent positions	250.00	(13.00)	237.00"

Page 2, line 6, replace "\$695,462" with "\$645,074"

Page 2, line 6, replace "\$637,105" with "\$590,945"

Page 2, line 7, replace "\$1,249" with "\$1,241"

Page 2, line 8, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 2, line 9, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost-share program	0	315,000
Uniform crime reporting rewrite	0	280,000
DOS-based deposit system rewrite	0	100,000
Total all funds	\$3,936,157	\$695,000
Total special funds	653,333	595,000
Total general fund	\$3,282,824	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The attorney general shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 24, insert:

"SECTION 5. INDUSTRIAL COMMISSION LITIGATION FUNDS - ATTORNEY GENERAL PROTEST-RELATED EXPENSES - REPORT TO BUDGET SECTION. The attorney general may submit litigation-related expenses to the industrial commission which the industrial commission shall pay from litigation funding available to the industrial commission for expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project. The attorney general shall report quarterly to the budget section of the legislative management regarding all expenditures for litigation-related expenses from the industrial commission's litigation fund during the 2017-18 interim.

SECTION 6. LEGISLATIVE INTENT - DAKOTA ACCESS PIPELINE PROJECT PROTEST-RELATED COSTS. It is the intent of the sixty-fifth legislative assembly that the attorney general pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result of the protests and related activities associated with the Dakota access pipeline project."

Page 2, after line 31, insert:

"SECTION 8. BUDGETARY SAVINGS - CONTINGENT ALLOCATION FROM BOARD OF UNIVERSITY AND SCHOOL LANDS - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS - APPROPRIATION. Of the funds appropriated in section 1 of this Act for rent expense, the attorney general shall use up to \$500,000 made available from rent savings as a result of the attorney general relocating a portion of its operations to the job service North Dakota central office building, for the purpose of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the biennium beginning July 1, 2017, and ending June 30, 2019. If the attorney general does not relocate a portion of its operations to the job service North Dakota central office building and does not realize rent savings, the board of university and school lands, from funds designated in subsection 3 of section 5 of chapter 463 of the 2015 Session Laws, shall provide a grant of up to \$500,000 to the attorney general, the sum of which is appropriated, for the purpose of defraying the expenses of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 9. STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS - COST-SHARING PROGRAM - ESTIMATED INCOME. The attorney general, in consultation with the North Dakota association of counties and the North Dakota league of cities, shall establish a cost-sharing program to defray the expenses related to the enhancement of the statewide automated victim information and notification program, in addition to the amounts appropriated in section 9 of this Act. The cost-sharing program must apportion the sum of \$315,000 among the political subdivisions of the state for each political subdivision's share of the cost of the statewide automated victim information and notification program and the political subdivision shall contribute funds to the attorney general as set forth in the cost-sharing program. The estimated income line item in section 1 of this Act includes \$315,000 of funding received as payments from political subdivisions for the cost-sharing program for the purpose of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 10. LEGISLATIVE INTENT - COST-SHARING PROGRAM. It is the intent of the sixty-fifth legislative assembly that the funding for the political subdivision's cost-sharing program identified in section 9 of this Act, be provided from any additional income collected from the victim witness fee as required in section 11 of this Act, or a proportionate contribution from the counties and cities that utilize the odyssey system, or a combination of both.

SECTION 11. AMENDMENT. Section 27-01-10 of the North Dakota Century Code is amended and reenacted as follows:

27-01-10. Fee assessments for funding crime victim and witness programs.

1. The governing body of a county ~~may~~shall, by resolution, authorize the district judges serving that county to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of a criminal offense or of violating a municipal ordinance for which the maximum penalty that may be imposed by law for the offense or violation includes imprisonment.
2. The governing body of a city ~~may~~shall, by ordinance, authorize a municipal judge to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of violating a municipal ordinance for which the maximum penalty that may be imposed under the ordinance for the violation includes imprisonment.
3. The governing body of the county or city ~~may~~shall determine the amount of the fee to be assessed in all cases or it may authorize the district or municipal judge to determine the amount of the fee to be assessed in each case. The fee assessed under this section is in addition to any fine, penalty, costs, or administrative fee prescribed by law. The district or municipal judge ~~may~~shall assess the fee when sentence is imposed or when sentence is suspended or imposition of sentence is deferred, unless the defendant is indigent and unable to pay the fee. All fees paid to a district or municipal court under this section must be deposited monthly in the county or city treasury for allocation by the governing body of the county or city to one or more of the following programs as determined by the governing body or by agreement of the attorney general, the North Dakota league of cities, and the North Dakota association of counties:
 - a. A private, nonprofit domestic violence or sexual assault program.
 - b. A victim and witness advocacy program of which the primary function is to provide direct services to victims of and witnesses to crime.

- c. The statewide automated victim information and notification system, as provided for under chapter 12.1-34.

SECTION 12. A new section to chapter 53-06.1 of the North Dakota Century Code is created and enacted as follows:

Electronic pull tab device requirements

An electronic pull tab device must display an electronic pull tab in which the player may win credits that can be redeemed for cash or used to purchase more pull tabs. The device may not directly dispense coins, cash, tokens, or anything else of value other than a credit ticket voucher.

SECTION 13. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 9, insert:

"SECTION 15. EXEMPTION - HUMAN TRAFFICKING GRANTS. The amount appropriated to the attorney general from the general fund for providing human trafficking grants as contained in section 1 of chapter 375 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims, during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

"SECTION 17. EXEMPTION - ADDITIONAL FUNDING FOR LITIGATION FEES. Of the funding appropriated to the attorney general in section 6 of chapter 3 of the 2015 Session Laws, up to \$100,000 is not subject to the provisions of section 54-44.1-11 and may be continued for defraying the cost of litigation fees for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 18. EMERGENCY. Sections 5, 8, and 9 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$40,503,865	\$40,267,284	\$911,759	\$41,179,043	\$41,244,766	(\$65,723)
Operating expenses	24,672,585	16,145,004	212,277	16,357,281	16,557,558	(200,277)
Capital assets	2,339,187	2,742,372		2,742,372	2,742,372	
Grants	1,762,659	2,440,000		2,440,000	2,440,000	
Litigation fees	50,000	150,000		150,000	150,000	
Intellectual property attorney	418,323	427,131	(207)	426,924	426,924	
Abortion litigation fees	400,000					
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797	5,336,797	
Arrest and return of fugitives	10,000	10,000		10,000	10,000	
Gaming commission	7,490	7,490		7,490	7,490	
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645	3,386,645	
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608	2,901,608	
Additional income appropriation		250,000		250,000	250,000	
SAVIN cost share program			315,000	315,000	315,000	
Contingent funding for the SAVIN program			500,000	500,000	500,000	
Contingent Medicaid Fraud					1,561,604	(1,561,604)

Control Unit						
Total all funds	\$83,714,313	\$74,730,548	\$1,932,612	\$76,663,160	\$78,490,764	(\$1,827,604)
Less estimated income	35,247,452	30,730,548	1,261,772	31,992,320	32,946,764	(954,444)
General fund	\$48,466,861	\$44,000,000	\$670,840	\$44,670,840	\$45,544,000	(\$873,160)
FTE	250.00	231.00	6.00	237.00	243.00	(6.00)

Department No. 125 - Attorney General - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores 5 FTE Positions ²	Adds 1 FTE Identification Technician Position ³	Reduces Funding for Operating Expenses ⁴	Adds One-Time Funding for Uniform Crime Reporting Rewrite ⁵	Adds One-Time Funding for Deposit System Rewrite ⁶
Salaries and wages	(\$43,964)	\$890,000	\$65,723			
Operating expenses			16,277	(184,000)	280,000	100,000
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						
Contingent funding for the SAVIN program						
Contingent Medicaid Fraud Control Unit						
Total all funds	(\$50,388)	\$890,000	\$82,000	(\$184,000)	\$280,000	\$100,000
Less estimated income	(4,228)	0	0	171,000	280,000	0
General fund	(\$46,160)	\$890,000	\$82,000	(\$355,000)	\$0	\$100,000
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds One-Time Funding for the SAVIN Cost-Share Program ⁷	Adds Contingent Funding for the SAVIN Cost-Share Program ⁸	Total Conference Committee Changes
Salaries and wages			\$911,759
Operating expenses			212,277
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			
Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			
Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program	315,000		315,000
Contingent funding for the SAVIN program		500,000	500,000
Contingent Medicaid Fraud Control Unit			
Total all funds	\$315,000	\$500,000	\$1,932,612
Less estimated income	315,000	500,000	1,261,772
General fund	\$0	\$0	\$670,840
FTE	0.00	0.00	6.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount

of \$1,241 per month, the same as the Senate version.

² Restores the following 5 FTE positions and related funding from the general fund--4 FTE criminal investigator positions (\$720,000), 1 FTE forensic scientist position (\$170,000), the same as the Senate version. The House removed 19 FTE positions with related funding and changed the funding source from the general fund to other funds for 8 FTE positions.

³ Adds 1 FTE identification technician position (\$65,723) and related operating expenses (\$16,277). The Senate version included funding of \$131,446 for salaries and wages and \$32,554 for operating expenses.

⁴ The funding source for \$171,000 is changed from the general fund to other funds and funding of \$184,000 from the general fund is removed for operating expenses for a total reduction of \$355,000 from the general fund.

⁵ One-time funding of \$280,000 is added from federal funds for the rewrite of the uniform crime reporting system. The Senate version provided \$280,000 from the general fund.

⁶ One-time funding of \$100,000 from the general fund is added for a DOS-based deposit system rewrite, the same as the Senate version.

⁷ One-time funding of \$315,000 is added from other funds for the statewide automated victim information and notification (SAVIN) program enhancement project. The other funds are from revenues generated through payments from political subdivisions for their share of the cost for the SAVIN program enhancement project. The enhancements will upgrade the SAVIN program so that it may provide the notifications necessary to comply with Section 25 of Article I of the Constitution of North Dakota also known as Marsy's Law, the same as the Senate version.

⁸ Contingent funding of \$500,000 from a grant from the Department of Trust Lands is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of \$500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, \$500,000 from the Department of Trust Lands grant is appropriated to the Attorney General for the state's share of the SAVIN program enhancements, the same as the Senate version.

This amendment also:

- Adds a section authorizing the Attorney General to submit litigation-related expenses to the Industrial Commission to be paid from litigation funding available to the Industrial Commission for expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline project and requires the Attorney General to report to the Budget Section quarterly regarding expenditures submitted to be paid from the Industrial Commission's litigation fund. The Senate version included a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section of legislative intent that the Attorney General pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result of the protests and related activities associated with the Dakota Access Pipeline project. Neither the House nor the Senate version included this section.
- Adds a section authorizing the Attorney General to use up to \$500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of \$500,000 from a Department of Trust Lands grant for the 2015-17 biennium, if the move does

not occur, the same as the Senate version.

- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost-sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate \$315,000 of the cost among the political subdivisions of the state, the same as the Senate version.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory, the same as the Senate version.
- Adds a section creating a new section to Chapter 53-06.1 relating to electronic pull tab device requirements. The section requires an electronic pull tab device to display an electronic pull tab and it may not directly dispense coins, cash, tokens, or anything of value. Neither the House nor the Senate version included this section.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated \$164,000 of general fund revenue for the 2017-19 biennium, the same as the Senate version.
- Amends Section 6 of the House version to provide an exemption for funding appropriated for human trafficking grants provided for the 2015-17 biennium. The Senate version did not include this change.
- Adds a section exempting \$100,000 of funding appropriated to the Attorney General for the 2015-17 biennium for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line, the same as the Senate version.
- The Conference Committee did not include 3 sections added by the Senate relating to the contingent creation of a Medicaid Fraud Control Unit.
- Adds an emergency clause for Section 5 and the SAVIN program enhancements. The Senate version provided an emergency clause related to the SAVIN program enhancements only.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

ANNOUNCEMENT

SEAKER BELLEW ANNOUNCED that the House will stand in recess until 1:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Bellew presiding.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that Rep. D. Anderson will replace Rep. Keiser on the Brain Injury Advisory Council.

HOUSE INTERIM COMMITTEES

SEAKER BELLEW ANNOUNCED the following House Interim Committees:

Education Commission of the States

Rep. Mark Owens

Legacy and Budget Stabilization Fund Advisory Board

Rep. Keith Kempenich
Rep. Gary Kreidt

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Klemm, Chairman)** has carefully examined the Journal of the Seventy-fourth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1866, line 31, replace "Moch" with "Mock"

REP. KLEMIN MOVED that the report be adopted, which motion prevailed on a voice vote.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 24, 2017, I have signed the following: HB 1002, HB 1007, HB 1022, HB 1221, HB 1235, HB 1275, HB 1324, HB 1369, and HB 1378.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KEMPENICH MOVED that the conference committee report on Engrossed HB 1003 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1003, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to provide a contingent appropriation; to provide exemptions; to provide a report to the office of management and budget and the legislative council; to authorize transfers; to authorize fees; to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a penalty; to provide legislative intent; to provide a contingent effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 84 YEAS, 4 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boehning; Bosch; Boschee; Brabandt; Carlson; Damschen; Delmore; Delzer; Dobervich; Dockter; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Maragos; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke

NAYS: Magrum; McWilliams; Skroch; Speaker Bellew

ABSENT AND NOT VOTING: Boe; Brandenburg; Devlin; Ertelt; Grueneich; Guggisberg

Reengrossed HB 1003 passed and the emergency clause was declared carried.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2001, SB 2016, SB 2119.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HCR 3037.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2009.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1018.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1018.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2009.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2020.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 25, 2017: HB 1008, HB 1018.

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. G. Lee, Sorvaag, Robinson and Reps. Schmidt, Streyle, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1445-1455, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1445-1455 of the House Journal and pages 1165-1175 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 1, remove "to create and enact two new sections to chapter 61-02 of the North Dakota"

Page 1, replace line 2 with "to provide an appropriation for defraying the expenses of the state water commission; to provide an appropriation to the industrial commission;"

Page 1, line 3, remove "subsection 1 of"

Page 1, line 3, after the first comma insert "subsection 10 of"

Page 1, line 3, after "61-02-02" insert ", section 61-02-08, "

Page 1, line 4, replace "and sections" with "section"

Page 1, line 4, after "61-02-79" insert ", the new section to chapter 61-03, as created by section 12 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, and sections 61-29-06, 61-40-05,"

Page 1, line 5, remove "the allocation of moneys in"

Page 1, line 5, replace "definitions" with "the definition of water conveyance project, the state water commission chairman and vice chairman"

Page 1, line 6, after the second comma insert "economic analyses for certain water projects, management of the Little Missouri scenic river, the authority of the western area water supply authority,"

Page 1, line 7, replace "a legislative management study" with "budget section approval"

Page 1, line 8, after the first semicolon insert "to provide for an industrial commission study;"

Page 1, line 8, remove "to the"

Page 1, line 8, after "management" insert "study; to provide for reports"

Page 1, line 8, after the second "provide" insert "a statement of"

Page 1, line 9, remove "to provide an appropriation for defraying the expenses of"

Page 1, line 10, replace "the state water commission; and" with "to provide for a transfer;"

Page 1, line 10, after "exemptions" insert "; to provide a contingent effective date; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, replace lines 19 through 21 with:

"Administrative and support services	\$5,535,618	\$97,568	\$5,633,186
Water and atmospheric resources	<u>863,400,218</u>	<u>(146,859,929)</u>	<u>716,540,289</u>
Total all funds	\$868,935,836	(\$146,762,361)	\$722,173,475"

Page 2, line 2, replace "\$277,612" with "\$257,498"

Page 2, line 3, replace "\$1,249" with "\$1,241"

Page 2, remove lines 4 through 8

Page 2, remove lines 15 through 23

Page 3, line 5, replace "\$299,875,000" with "\$298,875,000"

Page 3, replace lines 6 through 12 with:

- "a. \$120,125,000 for water supply;
- b. \$27,000,000 for rural water supply;
- c. \$136,000,000 for flood control; and
- d. \$15,750,000 for general water."

Page 3, remove lines 17 through 31

Page 4, replace lines 1 through 3 with:

"SECTION 6. LEGISLATIVE INTENT - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING. Except for funding provided during bienniums prior to the 2017-19 biennium, it is the intent of the sixty-fifth legislative assembly that the state provide no more than \$193,000,000 of state funding for Mouse River flood control projects within the city limits of Minot. It is the intent of the sixty-fifth legislative assembly that the \$193,000,000 be made available during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums.

SECTION 7. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT - BUDGET SECTION APPROVAL. It is the intent of the sixty-fifth legislative assembly that the state water commission provide, in the form of a grant, up to \$30,000,000, of which \$17,000,000 is for the completion of the planning and permitting process and \$13,000,000 is to initiate construction of phase one prioritized project features identified in accordance with subsection 2 of section 8 of this Act, to the Garrison diversion conservancy district for the Red River valley water supply project, for the biennium beginning July 1, 2017, and ending June 30, 2019. The Garrison diversion conservancy district must receive budget section approval prior to changing any funding between designations identified in this section.

SECTION 8. RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT - BUDGET SECTION APPROVAL. Any funding received by the Garrison diversion conservancy district from the state water commission for the Red River valley water supply project during the biennium beginning July 1, 2017, and ending June 30, 2019, is subject to the following requirements:

1. Any funding received for the completion of the planning and permitting process of the Red River valley water supply project must result in the following accomplishments:
 - a. The completed Red River valley water supply plan document that will be the basis and justification for project construction and must

include alternative selection, water supply needs, projected project costs, easement acquisitions, environmental regulation compliance to include the Boundary Waters Treaty of 1909, and an implementation schedule;

- b. Acquisition of all state and federal permits required for the construction of any project features intended to be constructed with funding provided during the 2017-19 biennium;
 - c. A signed bureau of reclamation water service contract agreeing to a minimum of one hundred sixty-five cubic feet per second over a minimum of forty years or equivalent to ensure an adequate water source for the project's needs;
 - d. Prioritized project features for phase one construction; and
 - e. A recommendation for funding options for all phases of the Red River valley water supply project.
2. Any funding received to initiate construction of phase one prioritized project features identified in subsection 1 may be spent and construction of phase one may begin only after the budget section receives and approves certification from the state water commission and the state engineer that all items listed in subsection 1 have been accomplished.
 3. Quarterly progress reports on the Red River valley water supply project from the Garrison diversion conservancy district to the water topics overview committee of the legislative management, during the 2017-18 interim."

Page 4, line 5, replace "The" with "Notwithstanding section 5 of chapter 500 of the 2011 Session Laws, the"

Page 4, line 8, replace "\$19,500,000" with "\$25,000,000"

Page 4, line 8, remove "from funds"

Page 4, remove line 9

Page 4, line 10, replace "chapter 20 of the 2013 Session Laws" with "from the general fund to the western area water supply authority authorized in section 3 of chapter 500 of the 2011 Session Laws"

Page 4, line 11, remove "If the"

Page 4, remove lines 12 and 13

Page 4, line 14, replace "under section 61-40-09." with "The western area water supply authority is not obligated to repay principal on loans from the resources trust fund for the period beginning July 1, 2017, and ending June 30, 2018. The interest rate on the \$10,000,000 loan to the western area water supply authority authorized in section 4 of chapter 500 of the 2011 Session Laws must be 2.5 percent on any outstanding balance remaining after the effective date of this Act."

Page 4, line 16, replace "quarterly" with "monthly"

Page 4, line 22, replace "11" with "9"

Page 4, line 22, after "Act" insert "or the revenue bonds or other financing provided for in section 12 of this Act"

Page 4, after line 25, insert:

**"SECTION 11. APPROPRIATION - INDUSTRIAL COMMISSION STUDY -
WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO LEGISLATIVE**

MANAGEMENT. There is appropriated out of any moneys in the resources trust fund, in the state treasury, the sum of \$150,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of conducting an independent study of the feasibility and desirability of the sale or lease of the industrial water supply assets of the western area water supply authority, for the period beginning with the effective date of this Act, and ending June 30, 2019. The study must provide information regarding the financial impact to the western area water supply authority, its members and customers, the financial viability of the authority, and options available to the authority for debt servicing. The industrial commission may form a nonvoting advisory committee chaired by the state engineer to provide input regarding the scope of the study and to receive reports on the status of the study. The industrial commission shall report to the legislative management's interim water topics overview committee on the results of the study by June 1, 2018.

SECTION 12. ACTIONS RESULTING FROM THE WESTERN AREA WATER SUPPLY AUTHORITY STUDY.

1. If the industrial commission determines, based on the study directed in section 11 of this Act, that it is feasible and desirable to lease or sell the industrial water supply assets of the western area water supply authority, the industrial commission shall develop a timeline to complete the lease or the sale of the industrial water assets of the western area water supply authority and report to the legislative management's interim water topics overview committee.
2. If the industrial commission determines, based on the study directed in section 11 of this Act, that it is not feasible and desirable to lease or sell the industrial water supply assets of the western area water supply authority, notwithstanding section 5 of chapter 500 of the 2011 Session Laws, the western area water supply authority shall, with the assistance of the industrial commission and the Bank of North Dakota, repay its obligations to the Bank of North Dakota through the issuance of revenue bonds or other financing options acceptable to the industrial commission and Bank of North Dakota."

Page 4, line 28, replace "\$50,000," with "\$30,000 of which \$15,000 is from the resources trust fund and \$15,000 of other funds received from Ward County,"

Page 5, line 13, replace "Cass, Ward, Richland, and Burleigh Counties and other counties" with "Ward County"

Page 6, line 16, after "and" insert "the"

Page 6, line 16, replace "counties" with "county"

Page 6, line 30, replace "county-by-county" with "county""

Page 7, remove lines 7 through 30

Page 8, replace lines 1 through 5 with:

"SECTION 15. AMENDMENT. Section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07. Allocation of moneys in oil extraction tax development fund.

Moneys deposited in the oil extraction tax development fund must be transferred monthly 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. ~~Five~~Three percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the renewable energy development fund, not to exceed three million dollars per biennium. One-half of one percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the energy conservation grant fund not to exceed ~~one~~one million two hundred thousand dollars per biennium. 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 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.
 - c. The department of commerce for the funding of programs for development of energy conservation and for the making of grants and loans relating to energy conservation.
2. Twenty percent must be allocated to the common schools trust fund and foundation aid stabilization fund as provided in section 24 of article X of the Constitution of North Dakota.
 3. Thirty percent must be allocated to the legacy fund as provided in section 26 of article X of the Constitution of North Dakota.
 4. Thirty percent must be allocated and credited to the state's general fund.

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- 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 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.
 - c. The department of commerce for the funding of programs for development of energy conservation and for the making of grants and loans relating to energy conservation.
2. Twenty percent must be allocated to the common schools trust fund and foundation aid stabilization fund as provided in section 24 of article X of the Constitution of North Dakota.
 3. Thirty percent must be allocated to the legacy fund as provided in section 26 of article X of the Constitution of North Dakota.
 4. Thirty percent must be allocated and credited to the state's general fund."

Page 8, remove lines 6 through 30

Page 9, replace lines 1 through 24 with:

"SECTION 17. AMENDMENT. Subsection 10 to section 61-02-02 of the North Dakota Century Code as amended by section 3 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

10. "Water conveyance project" means any surface ~~or subsurface~~ drainage works, bank stabilization, or snagging an clearing of water courses.

SECTION 18. AMENDMENT. Section 61-02-08 of the North Dakota Century Code as amended by section 6 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

61-02-08. Meetings of commission.

The commission shall hold at least one meeting every two months at places as it, by resolution, may provide. ~~The governor shall serve as chairman, and the commission shall select a member of the commission to serve as vice chairman.~~ The chairman, or in the chairman's absence or disability, the vice chairman of the commission, may issue a call for any meeting at any time. The governor, ~~as chairman, or governor's appointed representative~~ shall preside at all meetings of the commission ~~and in case of the governor's, and in case of the~~ absence or disability of ~~the governor and governor's appointed representative,~~ the vice chairman shall preside. ~~The seven appointed members of the commission shall select an appointed member to serve as vice chairman of the commission."~~

Page 9, line 31, replace "twenty-five" with "twenty-six"

Page 10, line 7, overstrike "that" and insert immediately thereafter "of one and one-half percent over the three month London interbank offered rate, but"

Page 10, line 7, overstrike "one and three-quarters" and insert immediately thereafter "three"

Page 10, replace lines 15 through 26 with:

"SECTION 21. The new section to chapter 61-03 of the North Dakota Century Code created by section 12 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

Economic analysis process required for certain projects.

The state engineer shall develop an economic analysis process for water conveyance projects and flood-related projects expected to cost more than ~~seven-hundred fifty thousand~~ one million dollars, and a life cycle analysis process for municipal water supply projects. When the state water commission is considering whether to fund a water conveyance project, flood-related project, or water supply project, the state engineer shall review the economic analysis or life cycle analysis, and inform the state water commission of the findings from the analysis and review.

SECTION 22. AMENDMENT. Section 61-29-06 of the North Dakota Century Code is amended and reenacted as follows:

61-29-06. Management.

Channelization, reservoir construction, or diversion other than for agricultural ~~or~~ recreational, or temporary use purposes and the dredging of waters within the confines of the Little Missouri scenic river and all Little Missouri River tributary streams are expressly prohibited. Flood control dikes may be constructed within the floodplain of the Little Missouri River. Diking and riprapping for bank erosion control shall be permitted within the confines of the Little Missouri scenic river. The construction of impoundments for any purpose on the Little Missouri mainstream shall be prohibited.

This chapter shall in no way affect or diminish the rights of owners of the land bordering the river to use the waters for domestic purposes, including livestock watering, or any other rights of riparian landowners.

SECTION 23. AMENDMENT. Section 61-40-05 of the North Dakota Century Code is amended and reenacted as follows:

61-40-05. Authority of the western area water supply authority.

In addition to authority declared under section 61-40-01, the board of directors of the western area water supply authority may:

1. Sue and be sued in the name of the authority.
2. Exercise the power of eminent domain in the manner provided by title 32 or as described in this chapter for the purpose of acquiring and securing any right, title, interest, estate, or easement necessary or proper to carry out the duties imposed by this chapter, and particularly to acquire the necessary rights in land for the construction of an entire part of any pipeline, reservoir, connection, valve, pumping installation, or other facility for the storage, transportation, or utilization of water and all other appurtenant facilities used in connection with the authority. However, if the interest sought to be acquired is a right of way for any project authorized in this chapter, the authority, after making a written offer to purchase the right of way and depositing the amount of the offer with the clerk of the district court of the county in which the right of way is located, may take immediate possession of the right of way, as authorized by section 16 of article I of the Constitution of North Dakota. Within thirty days after notice has been given in writing to the landowner by the clerk of the district court that a deposit has been made for the taking of a right of way as authorized in this subsection, the owner of the property taken may appeal to the district court by serving a notice of appeal upon the acquiring agency, and the matter must be tried at the next regular or special term of court with a jury unless a jury be waived, in the manner prescribed for trials under chapter 32-15.

3. Accept funds, property, services, pledges of security, or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purpose of aiding and promoting the construction, maintenance, and operation of the authority. The authority may cooperate and contract with the state or federal government, or any department or agency of state or federal government, or any city, water district, or water system within the authority, in furnishing assurances and meeting local cooperation requirements of any project involving treatment, control, conservation, distribution, and use of water.
4. Cooperate and contract with the agencies or political subdivisions of this state or other states, in research and investigation or other activities promoting the establishment, construction, development, or operation of the authority.
5. Appoint and fix the compensation and reimbursement of expenses of employees as the board determines necessary to conduct the business and affairs of the authority and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for the authority in its proceedings.
6. Operate and manage the authority to distribute water to authority members and others within or outside the territorial boundaries of the authority and this state.
7. Hold, own, sell, or exchange any and all property purchased or acquired by the authority. All money received from any sale or exchange of property must be deposited to the credit of the authority and may be used to pay expenses of the authority.
8. Enter contracts to obtain a supply of bulk water through the purchase of infrastructure, bulk water sale or lease, which contracts may provide for payments to fund some or all of the authority's costs of acquiring, constructing, or reconstructing one or more water supply or infrastructure.
9. Acquire, construct, improve, and own water supply infrastructure, office and maintenance space in phases, in any location, and at any time.
10. Enter contracts to provide for a bulk sale, lease, or other supply of water for beneficial use to persons within or outside the authority. The contracts may provide for payments to fund some or all of the authority's costs of acquiring, constructing, or reconstructing one or more water system projects, as well as the authority's costs of operating and maintaining one or more projects, whether the acquisition, construction, or reconstruction of any water supply project actually is completed and whether water actually is delivered pursuant to the contracts. The contracts the cities, water districts, and other entities that are members of the western area water supply authority are authorized to execute are without limitation on the term of years.
11. Borrow money as provided in this chapter.
12. Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of its powers or in the performance of its covenants or duties or in order to secure the payment of its obligations, but an encumbrance, mortgage, or other pledge of property of the authority may not be created by any contract or instrument.
13. Accept from any authorized state or federal agency loans or grants for the planning, construction, acquisition, lease, or other provision of a project, and enter agreements with the agency respecting the loans or grants. Other than state-guaranteed loans, additional debt that may form the basis of a claim for territorial or franchise protection for industrial water sales for oil and gas exploration and production may be acquired

- by the authority or member entities only upon approval by the industrial commission and the emergency commission.
14. Contract debts and borrow money, pledge property of the authority for repayment of indebtedness, and provide for payment of debts and expenses of the authority.
 15. Operate and manage the authority to distribute water to any out-of-state cities or water systems that contract with the authority.
 16. Accept, apply for, and hold water allocation permits.
 17. Adopt rules concerning the planning, management, operation, maintenance, sale, and ratesetting regarding water sold by the authority. The authority may adopt a rate structure with elevated rates set for project industrial water depot and lateral supplies in recognition that a large component of the project expense is being incurred to meet the demands of industrial users. The industrial water depot and lateral rate structure must be approved in accordance with section 61-40-11.
 18. Develop water supply systems; store and transport water; and provide, contract for, and furnish water service for domestic, municipal, and rural water purposes; milling, manufacturing, mining, industrial, metallurgical, and any and all other beneficial uses; and fix the terms and rates therefore. The authority may acquire, construct, operate, and maintain dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels, and any and all treatment plants, works, facilities, improvements, and property necessary the same without any required public vote before taking action.
 19. Contract to purchase or improve water supply infrastructure or to obtain bulk water supplies without requiring any vote of the public on the projects or contracts. In relation to the initial construction of the system and for the purposes of entering a contract with the authority, municipalities are exempt from the public voting requirements or water contract duration limitations otherwise imposed by section 40-33-16.
 20. Accept assignment by member entities of contracts that obligate member entities to provide a water supply, contracts that relate to construction of water system infrastructure, or other member entity contracts that relate to authorities transferred to the authority under this chapter.
 21. Issue revenue bonds to repay its loan obligations to the Bank of North Dakota. For the purpose of issuing such revenue bonds, the provisions of chapters 40-35 and 40-36 apply to the extent necessary and consistent with section 12 of this Act.

Page 10, line 30, overstrike "The"

Page 10, line 30, remove "industrial commission shall provide"

Page 10, line 30, overstrike "an industrial water depot and"

Page 10, line 31, overstrike "lateral retail rate"

Page 11, line 2, replace "for the authority which is a competitive, floating, market rate" with "The industrial commission may authorize the authority to contract at competitive, floating, market rates for industrial water depot and lateral retail sales. The authority shall provide a report on the rates to the commission and legislative management's water topics overview committee on a regular basis"

Page 11, line 9, replace "\$25,000,000" with "\$26,000,000"

Page 11, replace lines 11 through 20 with:

Department No. 405 - Industrial Commission - Detail of Conference Committee Changes

	Adds Funding for WAWS Industrial Water Study ¹	Total Conference Committee Changes
WAWS industrial water study	\$150,000	\$150,000
Total all funds	\$150,000	\$150,000
Less estimated income	150,000	150,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ A section is added appropriating \$150,000 from the resources trust fund for conducting an independent study of the feasibility and desirability of the sale or lease of the industrial water supply assets of the Western Area Water Supply Authority. The Industrial Commission is required to report the findings to the Water Topics Overview Committee by June 1, 2018, the same as the Senate version.

This amendment also:

- Adds a section requiring the Industrial Commission, based on the results of the study, to either develop a timeline to complete the lease or the sale of the Western Area Water Supply Authority's assets or assist the Western Area Water Supply Authority in refinancing its outstanding debt through bonding, the same as the Senate version.
- Adds a section amending North Dakota Century Code Section 61-40-05 to allow, under certain conditions, the Western Area Water Supply Authority to issue revenue bonds to repay its loan obligations to the Bank of North Dakota. The Senate version included the repayment of obligations to the State Water Commission.

House Bill No. 1020 - State Water Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Administrative and support services	\$5,535,618	\$5,635,772	(\$2,586)	\$5,633,186	\$5,633,186	
Water and atmospheric resources	863,400,218	736,077,817	(19,537,528)	716,540,289	716,510,289	30,000
Minot flood control loan		110,000,000	(110,000,000)			
Water authority debt payments		8,300,000	(8,300,000)			
Total all funds	\$868,935,836	\$860,013,589	(\$137,840,114)	\$722,173,475	\$722,143,475	\$30,000
Less estimated income	868,935,836	860,013,589	(137,840,114)	722,173,475	722,143,475	30,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	97.00	93.00	0.00	93.00	93.00	0.00

Department No. 770 - State Water Commission - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Funding Available for Water Projects ²	Reduces Funding for Flood Hazard Risk Management Study ³	Removes Funding for Minot Flood Control Loan ⁴	Removes Funding for Water Authority Debt Payments ⁵	Total Conference Committee Changes
Administrative and support services	(\$2,586)					(\$2,586)
Water and atmospheric resources	(17,528)	(19,500,000)	(20,000)			(19,537,528)
Minot flood control loan				(110,000,000)		(110,000,000)
Water authority debt payments					(8,300,000)	(8,300,000)
	(\$20,114)	(\$19,500,000)	(\$20,000)	(\$110,000,000)	(\$8,300,000)	(\$137,840,114)

Total all funds						
Less estimated income	(20,114)	(19,500,000)	(20,000)	(110,000,000)	(8,300,000)	(137,840,114)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	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. Section 2 of the bill is also adjusted to reflect this change, the same as the Senate version.

² Provides for refinancing a \$25 million loan from the general fund which reduces funding available from the resources trust fund by \$19.5 million, the same as the Senate version. The House included the refinancing of the \$19.5 million loan from the resources trust fund.

³ Reduces the funding for a State Engineer study from \$50,000 to \$30,000, of which \$15,000 is from the resources trust fund and \$15,000 is other funds received from Ward County. The House version included \$50,000 from the resources trust fund for a study by the State Engineer of flood hazard risk management for various counties. The Senate version removed the study.

⁴ Includes legislative intent that the state provide \$193 million during the 2017-19, 2019-21, and 2023-25 bienniums for Mouse River flood control projects within the city limits of Minot, the same as the Senate version. The House version included a \$110 million loan authorization from the Bank of North Dakota to the State Water Commission for Minot flood control projects, which was removed.

⁵ Removes funding related to fresh water royalty payments, which were appropriated to the State Water Commission, the same as the Senate version.

This amendment also:

- Removes Section 3 which provided for a \$135,000 grant from the resources trust fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state, the same as the Senate version.
- Removes Sections 5, 19, and 20 related to fresh water royalty payments.
- Reduces water-related funding designations from \$299,875,000 to \$298,875,000 and combines the seven designations into the following four designations-- \$120,125,000 for water supply, \$27,000,000 for rural water supply, \$136,000,000 for flood control, and \$15,750,000 for general water. The Senate version reduced water-related funding designations from \$299,875,000 to \$298,875,000 and combined the seven designations into the following three designations--\$147,125,000 for water supply, \$136,000,000 for flood control, and \$15,750,000 for general water.
- Removes Section 8 related to Northwest Area Water Supply Project funding, the same as the Senate version.
- Removes Sections 9 and 10 related to a \$110 million loan authorization from the Bank of North Dakota and an appropriation of the loan proceeds to the State Water Commission for the Minot flood control project and legislative intent, the same as the Senate version.
- Adds a section providing legislative intent that the state provide no more than \$193 million of state funding for Mouse River flood control projects within the city limits of Minot during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums, the same as the Senate version.
- Adds a section providing legislative intent that the State Water Commission provide \$30 million, of which \$17 million is for the completion of the planning and permitting process and \$13 million is to initiate construction of phase one prioritized project features, to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project for the 2017-19 biennium. The section also requires the Garrison Diversion Conservancy District to obtain Budget Section approval prior to changing funding between designations. The Senate version added a section

providing legislative intent that the State Water Commission provide \$30 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project which is a 90 percent cost share.

- Adds a section identifying accomplishments the Garrison Diversion Conservancy District must meet regarding the planning and permitting process and the district must obtain certification from the State Water Commission and the State Engineer that those items are complete. The section also requires approval from the Budget Section of the certification and for construction to begin before the funding can be provided to the Garrison Conservancy District for the Red River Valley Water Supply Project. Neither the House nor the Senate version included this section.
- Changes the sections regarding the refinancing of Western Area Water Supply Authority debt, to remove the repayment of a \$19.5 million loan from the resources trust fund, but instead repay a \$25 million loan from the general fund. The section also changes the Western Area Water Supply Authority financial reporting from quarterly to monthly, allows the Western Area Water Supply Authority to pay only interest on loans from the resources trust fund from July 1, 2017, through June 30, 2018, and changes the interest rate on the \$10 million loan to the Western Area Water Supply Authority from 5 to 2.5 percent, the same as the Senate version.
- Reduces the appropriation for the flood hazard risk management study from \$50,000 from the resources trust fund to \$30,000, of which \$15,000 is from the resources trust fund and \$15,000 is from other funds received from Ward County, and the study includes only Ward County. The Senate version removed Sections 13 and 14 added by the House which appropriated \$50,000 to the State Engineer to conduct a flood hazard risk management study.
- Changes the section amending Section 57-51.1-07 to provide for a \$200,000 allocation from the resources trust fund to the energy conservation grant fund with an effective date of the reduced allocation of August 1, 2017, through July 31, 2019, and restores the allocation to \$1.2 million effective August 1, 2019. The Senate version included the same allocation changes as the Conference Committee, but the effective date of the reduced allocation was July 1, 2017, through June 30, 2019, and restored the allocation to \$1.2 million effective after July 1, 2019. The House removed all allocations to the energy conservation grant fund.
- Adds a section amending Section 61-02-02(10), as amended by Section 3 of House Bill No. 1374 as approved by the 65th Legislative Assembly, related to the definition of water conveyance project, to be effective on August 1, 2017. Neither the House nor the Senate version included this section.
- Adds a section amending Section 61-02-08, as amended by Section 6 of House Bill No. 1374 as approved by the 65th Legislative Assembly, to designate the Governor as Chairman of the State Water Commission and provide the commission select the vice chairman, to be effective on August 1, 2017. Neither the House nor the Senate included this section.
- Amends Section 61-02-78(1) to increase the total allocation to the infrastructure revolving loan fund from \$25 million as provided by the House to \$26 million, and amends the section related to the transfer of funds exceeding the limit, the same as the Senate version.
- Amends Section 61-02-79 related to the interest rate of the line of credit from the Bank of North Dakota to the State Water Commission to change the rate from 1.75 to 1.5 percent over the 3 month London interbank offered rate, which may not exceed 3 percent, the same as the Senate version.
- Adds a section amending a new section to Chapter 61-03, as created by Section 12 of House Bill No. 1374, as approved by the 65th Legislative Assembly, to change the dollar threshold for which a project would require an economic analysis from \$750,000 to \$1,000,000, to be effective on August 1, 2017. Neither the House nor the Senate version included this section.
- Adds a section amending Section 61-29-06 to authorize the State Water Commission to issue temporary use permits within the confines of the Little Missouri Scenic River and all Little Missouri River tributary streams.
- Adds a section, contingent on Industrial Commission certification, that the Western Area Water Supply Authority issue bonds, to amend Section 61-40-05 to provide that for the purpose of issuing revenue bonds, the provisions of Chapters 40-35 and 40-

36 apply to the extent necessary and consistent with Section 12 of this bill. The Senate version did not include the references to Chapters 40-35 and 40-36.

- Amends Section 61-40-11 to authorize the Industrial Commission to allow the Western Area Water Supply Authority to contract at competitive, floating, market rates for industrial water depot and lateral retail sales, the same as the Senate version. The House version directed the Industrial Commission to get the competitive, floating, market rate.
- Removes the section relating to a Legislative Management study of the Western Area Water Supply Authority's industrial infrastructure, the same as the Senate version.
- Adds a section requiring the Legislative Management study the industrial water use of the oil and gas industry. The Senate version included the same study, but at the discretion of the Legislative Management.
- Adds a section directing the State Water Commission to present its 2019-21 biennium agency budget request to include a salaries and wages line item, operating expenses line item, capital assets line item, project carryover line item, and new projects line item. The commission may include additional lines if it determines them to be necessary. The section also directs the commission to present funding for projects in a manner consistent with the funding designations identified in the bill. Neither the House nor the Senate versions included these provisions.
- Adds an emergency clause, the same as the Senate version.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2001, as engrossed: Your conference committee (Sens. Holmberg, Wanzek, Robinson and Reps. Vigesaa, Boehning, Delmore) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1211-1215, adopt amendments as follows, and place SB 2001 on the Seventh order:

That the House recede from its amendments as printed on pages 1211-1215 of the Senate Journal and pages 1316-1320 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 3, after "appropriations" insert "; to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to the creation of a legislative revenue advisory committee; to provide for legislative management studies"

Page 1, replace lines 15 through 19 with:

"Salaries and wages	\$10,004,373	\$229,051	\$10,233,424
Operating expenses	3,467,629	226,962	3,694,591
Capital assets	16,800	(10,800)	6,000
National conference of state legislatures	<u>241,263</u>	<u>(16,108)</u>	<u>225,155</u>
Total general fund	\$13,730,065	\$429,105	\$14,159,170"

Page 1, remove line 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$9,180,442	(\$130,912)	\$9,049,530
Operating expenses	<u>2,837,968</u>	<u>73,640</u>	<u>2,911,608</u>
Total all funds	\$12,018,410	(\$57,272)	\$11,961,138
Less estimated income	<u>70,000</u>	<u>0</u>	<u>70,000</u>
Total general fund	\$11,948,410	(\$57,272)	\$11,891,138
Full-time equivalent positions	37.00	(1.00)	36.00"

Page 2, replace lines 11 through 13 with:

"Grand total general fund	\$25,678,475	\$371,833	\$26,050,308
Grand total special funds	<u>70,000</u>	<u>0</u>	<u>70,000</u>
Grand total all funds	\$25,748,475	\$371,833	\$26,120,308

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in subdivisions 1 and 2 of section 1 of this Act include funding from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month. Total funding provided from the general fund is as follows:

Legislative assembly	\$353,769
Legislative council	<u>95,568</u>
Total	\$449,337"

Page 3, after line 21, insert:

"SECTION 7. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative revenue advisory committee.

1. The legislative management, during each biennium, shall appoint a legislative revenue advisory committee. The committee must consist of the majority and minority leaders of the house and senate, the chairs of the house and senate appropriations committees, one member appointed by the house majority leader, and one member appointed by the senate majority leader. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees. The committee may contract with economic forecasting entities to provide economic data specific to North Dakota for state revenue forecasting purposes.
2. The committee shall monitor state revenues and state economic activity, review economic forecasting data and models, review and analyze executive revenue forecasts and alternative revenue forecasts, and conduct other assigned studies.
3. The committee shall review and assess agency revenues, including an assessment of the delivery and cost of services, staffing, and billing processes, to identify improvements to the efficiency and effectiveness of the services that will result in reduced costs for state agencies.
4. The committee shall consider input from representatives of the office of management and budget, office of the tax commissioner, industrial commission, other state agencies, and private sector entities.
5. The committee shall report its findings and recommendations to the legislative management for use in establishing the state revenue forecast.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - INFORMATION TECHNOLOGY DEPARTMENT SERVICES AND COSTS. During the 2017-18 interim, the legislative management shall consider studying the delivery and cost of the information technology department's services provided to state agencies. The study must include a review of the department's cost of services, staffing, and billing processes and must identify improvements to the efficiency and effectiveness of the department's services that will result in reduced costs for state agencies. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - STATE FLEET SERVICES AND COSTS. During the 2017-18 interim, the legislative management shall consider studying the delivery and cost of the department of transportation's state fleet services for state agencies. The study must include a review of the

department's cost of services, staffing, and billing processes and identify improvements to the efficiency and effectiveness of the state fleet services that will result in reduced costs for state agencies. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Legislative Assembly						
Total all funds	\$13,730,065	\$14,213,458	(\$54,288)	\$14,159,170	\$14,159,170	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$13,730,065	\$14,213,458	(\$54,288)	\$14,159,170	\$14,159,170	\$0
Legislative Council						
Total all funds	\$12,018,410	\$12,142,536	(\$181,398)	\$11,961,138	\$11,936,138	\$25,000
Less estimated income	70,000	70,000	0	70,000	70,000	0
General fund	\$11,948,410	\$12,072,536	(\$181,398)	\$11,891,138	\$11,866,138	\$25,000
Bill total						
Total all funds	\$25,748,475	\$26,355,994	(\$235,686)	\$26,120,308	\$26,095,308	\$25,000
Less estimated income	70,000	70,000	0	70,000	70,000	0
General fund	\$25,678,475	\$26,285,994	(\$235,686)	\$26,050,308	\$26,025,308	\$25,000

Senate Bill No. 2001 - Legislative Assembly - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$10,004,373	\$10,262,695	(\$29,271)	\$10,233,424	\$10,233,424	
Operating expenses	3,467,629	3,694,591		3,694,591	3,694,591	
Capital assets	16,800	6,000		6,000	6,000	
National Conf. of State Legislatures	241,263	250,172	(25,017)	225,155	225,155	
Total all funds	\$13,730,065	\$14,213,458	(\$54,288)	\$14,159,170	\$14,159,170	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$13,730,065	\$14,213,458	(\$54,288)	\$14,159,170	\$14,159,170	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 150 - Legislative Assembly - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Reduces National Conference of State Legislatures Dues ²	Total Conference Committee Changes
Salaries and wages	(\$29,271)		(\$29,271)
Operating expenses			
Capital assets			
National Conf. of State Legislatures		(25,017)	(25,017)
Total all funds	(\$29,271)	(\$25,017)	(\$54,288)
Less estimated income	0	0	0
General fund	(\$29,271)	(\$25,017)	(\$54,288)
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, the same as the House version.

² National Conference of State Legislatures dues are reduced by 10 percent to provide a total of \$225,155, the same as the House version.

This amendment also adds a section to identify additional funding provided for health insurance increases, the same as the House version.

Senate Bill No. 2001 - Legislative Council - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$9,180,442	\$9,169,066	(\$119,536)	\$9,049,530	\$9,049,530	
Operating expenses	2,837,968	2,943,470	(31,862)	2,911,608	2,886,608	25,000
Capital assets		30,000	(30,000)			
Total all funds	\$12,018,410	\$12,142,536	(\$181,398)	\$11,961,138	\$11,936,138	\$25,000
Less estimated income	70,000	70,000	0	70,000	70,000	0
General fund	\$11,948,410	\$12,072,536	(\$181,398)	\$11,891,138	\$11,866,138	\$25,000
FTE	37.00	36.00	0.00	36.00	36.00	0.00

Department No. 160 - Legislative Council - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes Funding for 1 FTE Office Assistant Position ²	Adds Funding for Temporary Salaries ³	Reduces Funding for Operating Expenses ⁴	Removes Funding for Capital Assets ⁵	Total Conference Committee Changes
Salaries and wages	(\$7,465)	(\$147,071)	\$35,000			(\$119,536)
Operating expenses				(31,862)		(31,862)
Capital assets					(30,000)	(30,000)
Total all funds	(\$7,465)	(\$147,071)	\$35,000	(\$31,862)	(\$30,000)	(\$181,398)
Less estimated income	0	0	0	0	0	0
General fund	(\$7,465)	(\$147,071)	\$35,000	(\$31,862)	(\$30,000)	(\$181,398)
FTE	0.00	0.00	0.00	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, the same as the House version.

² Funding for 1 FTE office assistant position is removed, the same as the House version.

³ Funding is added for temporary salaries and wages to assist with session duties related to the office assistant position, the same as the House version.

⁴ Funding is reduced for information technology services (\$21,862) and professional fees (\$10,000), the House reduced professional fees by \$35,000.

⁵ Funding for copier replacement is removed, the same as the House version.

This amendment also adds sections to:

- Identify additional funding provided for health insurance increases, the same as the House version.
- Establish a legislative revenue advisory committee similar to the House version which provided for a state revenue advisory committee.
- Provide for a study of Information Technology Department services and costs. This study was not included in the Senate or House version of the bill.
- Provide for a study of the delivery and cost of the Department of Transportation's state fleet services for state agencies. This study was not included in the Senate or House version of the bill.

Engrossed SB 2001 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Mathern and Reps. Streyle, Martinson, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1249-1252, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 1249-1252 of the Senate Journal and pages 1344-1347 of the House Journal and that Engrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a study by the office of management and budget; to provide an appropriation to the office of management and budget; and to declare an emergency"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
computer modernization			
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. NEW JOBS TRAINING. During the biennium beginning July 1, 2017, and ending June 30, 2019, job service North Dakota may not award more than \$2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 10. APPROPRIATION - STUDY AND LEASE OF JOB SERVICE NORTH DAKOTA BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a qualified consultant by June 30, 2017, to conduct a study of the most cost-effective use for the job service North Dakota property Parcel# 0485-010-045; Lot# N.50; of L 3, ALL 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR's first in the city of Bismarck, Burleigh County, North Dakota. The funding appropriated in this section is considered one-time funding. The office of management and budget, in consultation with the attorney general and job service North Dakota, shall determine the most cost-effective use of the property described in this section. The term "cost-effective" means savings to the general fund, including any costs associated with relocation, rental costs related to the job service North Dakota Bismarck regional office, and remodeling of office space for job service North Dakota and the attorney general's office. The office of management and budget shall complete its study by September 30, 2017. If the office of management and budget determines it is more cost-effective for the attorney general's office to lease a portion of the property described in this section, job service North Dakota shall lease the number of square feet that is determined the most cost-effective, up to seventy-five percent of the building, to the attorney general, no later than March 31, 2018. Job service North Dakota shall continue to occupy at least twenty-five percent of the building. As a result of the study provided for in this section and upon the lease of a portion of the property described in this section, job service North Dakota may relocate a portion of its central office operations to another suitable location. The office of management and budget shall report the findings and results of its study to the budget section prior to the lease of the job service North Dakota central office building and subsequent relocation of job service North Dakota to the Bismarck regional office or other office space.

SECTION 11. LEGISLATIVE INTENT. If the attorney general's office relocates a portion of its operations to the job service North Dakota central office, it is the intent of the sixty-fifth legislative assembly any funds appropriated to lease office space it is vacating are no longer appropriated for said purpose.

SECTION 12. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Job Service North Dakota						
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
Bill total						
Total all funds	\$72,355,946	\$55,130,142	\$339,807	\$55,469,949	\$55,444,949	\$25,000
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$377,454)	\$570,793	\$545,793	\$25,000

Senate Bill No. 2016 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$25,000	\$25,000		\$25,000
Total all funds	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adds Funding for a Job Service North Dakota Property Study ¹	Total Conference Committee Changes
Operating expenses	\$25,000	\$25,000
Total all funds	\$25,000	\$25,000
Less estimated income	0	0
General fund	\$25,000	\$25,000
FTE	0.00	0.00

¹ One-time funding of \$25,000 is added from the general fund to the Office of Management and Budget for the purpose of contracting with a consultant to conduct a study to determine the most cost-effective use of the Job Service North Dakota Bismarck central office building.

Senate Bill No. 2016 - Job Service North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566	\$27,155,566	
Operating expenses	13,479,157	10,751,255	750,000	11,501,255	11,501,255	
Capital assets	20,000	20,000	100,000	120,000	120,000	
Grants	5,404,326	5,458,571		5,458,571	5,458,571	
Workforce 20/20	1,441,225	502,407	(502,407)			
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557	11,209,557	
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949	\$55,444,949	\$0
Less estimated income	70,467,866	54,181,895	717,261	54,899,156	54,899,156	0
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793	\$545,793	\$0
FTE	237.76	181.61	0.00	181.61	181.61	0.00

Department No. 380 - Job Service North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding For Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total Conference Committee Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	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. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is eliminated for the Workforce 20/20 program, the same as the House version. The Senate provided \$502,407 from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies, the same as the House version. Revenue collected will be deposited in the Job Service North Dakota operating fund. The House also included these provisions.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations, the same as the House version.

This amendment also:

- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill, the same as the House version.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office, the same as the House version.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property, the same as the House version.
- Adds a section limiting the amount Job Service North Dakota may award for new agreements under the new jobs training program to \$2.5 million during the 2017-19 biennium. The House repealed North Dakota Century Code Chapter 52-02.1, related to the new jobs training program and allowed Job Service North Dakota to honor any current obligations of the program. The Conference Committee did not repeal the chapter.
- Removes a section approved by the House to provide legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a Legislative Management study, with input from the Office of Management and Budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck. The House version included a similar section.
- Adds a section providing for a study by the Office of Management and Budget regarding the potential lease of the Job Service North Dakota central office in

Bismarck. This section is declared to be an emergency measure.

- Adds a section providing legislative intent that upon the Attorney General's potential relocation to the Job Service North Dakota central office, funds appropriated to the Attorney General to lease office space in the 2017-19 biennium is no longer appropriated for that purpose.

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2119, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Mathern and Reps. Streyle, Martinson, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1266-1267, adopt amendments as follows, and place SB 2119 on the Seventh order:

That the House recede from its amendments as printed on pages 1266 and 1267 of the Senate Journal and pages 1411 and 1412 of the House Journal and that Engrossed Senate Bill No. 2119 be amended as follows:

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 4, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota may lease to Rolette County, as allowed by state and federal law, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota may lease the property to Rolette County for a sum of one dollar until the property is sold. The lease must provide that all operational and maintenance costs related to the property are the responsibility of Rolette County until the property is sold."

Page 1, line 4, after "**DAKOTA**" insert "**- ROLLA PROPERTY - BUDGET SECTION APPROVAL**"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the

property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. The office of management and budget shall determine the most efficient and cost-effective use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient and cost-effective use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office, as allowed by state and federal law. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

Engrossed SB 2119 was placed on the Seventh order of business on the calendar.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that the House stand in recess until 5:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Bellew presiding.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SCHMIDT MOVED that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide an appropriation to the industrial commission; to amend and reenact section 57-51.1-07, subsection 10 of section 61-02-02, section 61-02-08, subsection 1 of section 61-02-78, section 61-02-79, the new section to chapter 61-03, as created by section 12 of House Bill No. 1374, as approved by the sixty-fifth legislative assembly, and sections 61-29-06, 61-40-05, and 61-40-11 of the North Dakota Century Code, relating to the oil extraction tax development fund, the definition of water conveyance project, the state water commission chairman and vice chairman, the infrastructure revolving loan fund, a Bank of North Dakota line of credit, economic analyses for certain water projects, management of the Little Missouri scenic river, the authority of the western area water supply authority, and water rates of the western area water supply authority; to provide for budget section approval; to provide for a state engineer study; to provide for an industrial commission study; to provide for a legislative management study; to provide for reports; to provide a statement of legislative intent; to designate funding;

to provide for a transfer; to provide exemptions; to provide a contingent effective date; to provide an effective date; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 76 YEAS, 11 NAYS, 0 EXCUSED, 7 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dobervich; Dockter; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, M.; Jones; Kading; Karls; Kasper; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Maragos; Marschall; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; O'Brien; Olson; Owens; Paur; Pollert; Pyle; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Toman; Vetter; Vigesaa; Weisz; Zubke

NAYS: Becker, Rick C.; Ertelt; Johnston; Keiser; Magrum; Martinson; Nelson, M.; Simons; Skroch; Trottier; Speaker Bellew

ABSENT AND NOT VOTING: Boe; Devlin; Grueneich; Johnson, D.; Oliver; Porter; Westlind

Reengrossed HB 1020 passed and the emergency clause was declared carried.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1152.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1152

Page 2, line 14, overstrike "three" and insert immediately thereafter "two"

Page 2, line 15, replace "one hundred" with "seventy-five"

Page 2, line 18, overstrike "The" and insert immediately thereafter "For the period beginning August 1, 2017, and ending July 31, 2019, the"

Page 2, line 18, after "fund" insert "and after July 31, 2019, the next one hundred million dollars into the state general fund"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides the following changes to the state's share of oil and gas tax allocations:

- Decreases the allocation to the tax relief fund from \$300 million to \$200 million;
- Decreases the allocation to the budget stabilization fund from \$100 million to \$75 million; and
- Provides that the second allocation to the general fund is \$200 million for the 2017-19 biennium and \$100 million thereafter.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has appointed Sen. Hogue to replace Sen. Oehlke on the Conference Committee on HB 1023.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has appointed Sen. Krebsbach to replace Sen. Oehlke on the Conference Committee on SB 2018.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HCR 3037.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: SB 2009.

MOTION

REP. VIGESAA MOVED that the absent members be excused, which motion prevailed on a voice vote.

MOTION

REP. VIGESAA MOVED that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 9:00 a.m., Wednesday, April 26, 2017, which motion prevailed on a voice vote.

The House stood adjourned pursuant to Representative Vigesaa's motion.

Buell J. Reich, Chief Clerk