

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; to provide for a legislative management report; to provide a statement of legislative intent; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,735,049	(\$312,475)	\$3,422,574
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	0	<u>265,928</u>	<u>265,928</u>
Total general fund	\$4,094,559	(\$86,801)	\$4,007,758
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$46,457 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Governor's transition	\$65,000	\$0
Desktop hardware	<u>45,200</u>	<u>0</u>
Total general fund	\$110,200	\$0

SECTION 4. APPROPRIATION - GOVERNOR'S OFFICE - LEGISLATIVE MANAGEMENT REPORT. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated to the governor's office, any additional income from federal or other funds which may become available to the governor's office, for the biennium beginning July 1, 2017, and ending June 30, 2019. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of funds under this section, the governor's office shall provide a report to the

legislative management regarding the source, amount, and purpose of the funds received.

SECTION 5. LEGISLATIVE INTENT - GOVERNOR'S SALARY - EXEMPTION. It is the intent of the sixty-fifth legislative assembly that the governor accept the governor's salary under section 54-07-04 for the biennium beginning July 1, 2017, and ending June 30, 2019. If the governor chooses to not accept the salary or any portion of the salary for the governor pursuant to section 54-07-04, section 54-07-04 does not apply and the related funding included in the governor's salary line item in section 1 of this Act may not be spent and must be canceled pursuant to section 54-44.1-11 at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

Approved April 27, 2017

Filed April 28, 2017

CHAPTER 2

HOUSE BILL NO. 1002

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to provide an exemption; and to amend and reenact section 16.1-08.1-03.1, subsection 7 of section 54-09-04, and section 54-09-12 of the North Dakota Century Code, relating to campaign disclosure statements, information preparation fees, and confidential information in filed records.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,903,514	(\$250,750)	\$4,652,764
Operating expenses	2,053,162	657,856	2,711,018
Petition review	8,000	0	8,000
Election reform	<u>2,703,535</u>	<u>(1,510,880)</u>	<u>1,192,655</u>
Total all funds	\$9,668,211	(\$1,103,774)	\$8,564,437
Less estimated income	3,583,536	(539,381)	3,044,155
Total general fund	\$6,084,675	(\$564,393)	\$5,520,282
Full-time equivalent positions	34.00	(2.00)	32.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	\$290,045	(\$1,595)	\$288,450
Total general fund	\$290,045	(\$1,595)	\$288,450

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$6,374,720	(\$565,988)	\$5,808,732

Grand total special funds	<u>3,583,536</u>	<u>(539,381)</u>	<u>3,044,155</u>
Grand total all funds	\$9,958,256	(\$1,105,369)	\$8,852,887

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in subdivision 1 of section 1 of this Act includes the sum of \$84,948, of which \$82,477 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Technology project	<u>\$3,050,000</u>	<u>\$0</u>
Total general fund	\$3,050,000	\$0

SECTION 4. EXEMPTION - GENERAL SERVICES OPERATING FUND. Any unexpended and unobligated balance remaining in the secretary of state's general services operating fund on June 30, 2017, is not subject to the provisions of section 54-09-08, and any unexpended funds are available and may be expended by the secretary of state during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. AMENDMENT. Section 16.1-08.1-03.1 of the North Dakota Century Code as amended by section 6 of Senate Bill No. 2343, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

16.1-08.1-03.1. ~~Special requirements for statements required of measure committees circulating or promoting passage or defeat of initiated or referred measure~~persons engaged in activities regarding ballot measures.

1. For each reportable contribution and expenditure under section 5 of this Act, the threshold for reporting is one hundred dollars for any person ~~or measure committee circulating or promoting passage or defeat of an initiated or referred measure engaged in activities described in subdivision e of subsection 13 of section 16.1-08.1-01.~~
2. For contributions received from an out-of-state contributor, a person ~~or measure committee circulating or promoting passage or defeat of an initiated or referred measure engaged in activities described in subdivision e of subsection 13 of section 16.1-08.1-01~~ shall include the following information regarding ~~subcontributors each subcontributor that has stated a contribution is for the express purpose of furthering the passage or defeat of a ballot measure~~ in the statements required under section 5 of this Act:
 - a. A designation as to whether any person contributed in excess of one hundred dollars of the total contribution;
 - b. The name and mailing address of each subcontributor that contributed in excess of one hundred dollars of the total contribution;
 - c. The contribution amounts of each disclosed subcontributor; and

¹ Section 16.1-08.1-03.1 was also amended by section 1 of House Bill No. 1362, chapter 156, and section 6 of Senate Bill No. 2343, chapter 155.

- d. The occupation, employer, and address for the employer's principal place of business of each disclosed subcontributor.
3. An initiative and referendum sponsoring committee also shall file a disclosure statement by the date the secretary of state approves the petition for circulation, and shall file an additional statement on the date the petitions containing the required number of signatures are submitted to the secretary of state for review. The statements required under this subsection must be in the same form as the year-end statements under section 5 of this Act .
4. A sponsoring committee shall file a statement regarding its intent to compensate circulators before paying for petitions to be circulated.

SECTION 6. AMENDMENT. Subsection 7 of section 54-09-04 of the North Dakota Century Code is amended and reenacted as follows:

7. For preparing any listing or compilation of any information recorded or filed in the office of the secretary of state, ~~an amount established by the secretary of state to recover the actual cost for assembling and providing the information in the format requested~~ forty dollars for each record type requested. Unless otherwise agreed to by the secretary of state, the information must be provided in an electronic format. If provided in a paper format, an additional fee of fifty cents per page may be charged.

SECTION 7. AMENDMENT. Section 54-09-12 of the North Dakota Century Code is amended and reenacted as follows:

54-09-12. Confidential information in filed records.

1. A social security number or federal tax identification number disclosed or contained in any record filed with the secretary of state is confidential. However, a social security number or federal tax identification number may be released as authorized in this section or by other state or federal law.
2. The secretary of state shall delete or obscure a social security or federal tax identification number before a copy of any record is released to the public. ~~A filing office or an officer or employee of the filing office~~ The secretary of state, or an employee, agent, or contractor of the secretary of state's office, may not be held civilly or criminally liable for the inadvertent disclosure of a social security or federal tax identification number if the filer has placed the number in an improper field on the form prescribed by the secretary of state or the filer submitted a filing other than on the form prescribed by the secretary of state.
3. The secretary of state or an employee, agent, or contractor of the secretary of state's office may release a social security number or federal tax identification number to another public entity or the public entity's agents, employees, or contractors if disclosure is necessary for the receiving public entity to perform the receiving public entity's duties and responsibilities. The receiving public entity and the receiving public entity's agents, employees, and contractors shall maintain the confidential status of the social security number or federal tax identification number.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 3

HOUSE BILL NO. 1003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to provide a contingent appropriation; to provide exemptions; 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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$40,503,865	\$675,178	\$41,179,043
Operating expenses	24,672,585	(8,315,304)	16,357,281
Capital assets	2,339,187	403,185	2,742,372
Grants	1,762,659	677,341	2,440,000
Litigation fees	50,000	100,000	150,000
Intellectual property attorney	418,323	8,601	426,924
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	54,019	5,336,797
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
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	<u>35,247,452</u>	<u>(4,005,132)</u>	<u>31,242,320</u>
Total general fund	\$48,466,861	(\$3,796,021)	\$44,670,840
Full-time equivalent positions	250.00	(13.00)	237.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$645,074, of which \$590,945 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly adjusted for

the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Bureau of criminal investigation vehicles	\$332,000	\$0
Grants	500,000	0
Higher education legal services	600,000	0
Criminal justice information sharing	957,856	0
Targeted equity - bureau of criminal investigation	1,276,301	0
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	<u>653,333</u>	<u>595,000</u>
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.

SECTION 4. TOBACCO SETTLEMENT TRUST FUND - USE. The estimated income line item in section 1 of this Act includes \$200,000 from the tobacco settlement trust fund which the attorney general may use for the purpose of enforcing the master settlement agreement and any disputes with the agreement, during the biennium beginning July 1, 2017, and ending June 30, 2019.

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.

SECTION 7. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2017, and ending June 30, 2019. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

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.

SECTION 14. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount appropriated to the attorney general from the strategic investment and improvements fund for awarding grants to law enforcement agencies, for crime-related needs of the attorney general's office, and for development of a uniform law enforcement and custody manual, as contained in section 11 of chapter 471 of the 2013 Session Laws and as continued in section 5 of chapter 37 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 crime-related needs of the attorney general's office, during the biennium beginning July 1, 2017, and ending June 30, 2019.

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.

SECTION 16. EXEMPTION - ATTORNEY GENERAL REFUND FUND.

Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2017.

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.

Approved April 26, 2017

Filed April 27, 2017

CHAPTER 4

HOUSE BILL NO. 1005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact subdivision b of subsection 2 of section 57-62-02 of the North Dakota Century Code, relating to coal severance tax allocations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,427,333	(\$111,194)	\$1,316,139
Operating expenses	200,614	50,646	251,260
Coal severance payments	228,952	(48,952)	180,000
Total general fund	\$1,856,899	(\$109,500)	\$1,747,399
Full-time equivalent positions	8.00	(1.00)	7.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$21,239 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Information technology costs	\$65,699	\$0
Property tax relief	233,425,000	0
Non-oil transportation funding	<u>7,676,000</u>	<u>0</u>
Total general fund	\$241,166,699	\$0

2 SECTION 4. AMENDMENT. Subdivision b of subsection 2 of section 57-62-02 of the North Dakota Century Code is amended and reenacted as follows:

- b. If the tippie of a currently active coal mining operation in a county is within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue from the production not exceeding the production limitation in a calendar year which is apportioned from that coal mining operation according to this subsection must be allocated, subject to the definitions of terms and the requirements in paragraph 4, as provided in

² Section 57-62-02 was also amended by section 21 of Senate Bill No. 2014, chapter 39, section 1 of Senate Bill No. 2101, chapter 403, and section 8 of Senate Bill No. 2272, chapter 368.

this subdivision. For purposes of this subdivision, the production limitation is ~~three million eight hundred thousand tons [3447302.02 metric tons] through calendar year 1995, three million six hundred thousand tons [3265865.07 metric tons] in calendar years 1996 and 1997, and three million four hundred thousand tons [3084428.12 metric tons] in calendar years after 1997~~ three million four hundred thousand tons [3084428.12 metric tons] through calendar year 2017 and three million tons [2721554.22 metric tons] after calendar year 2017. Revenue from production exceeding the production limitation in a calendar year from that coal mining operation must be allocated only within the coal-producing county under subdivision a. Allocations under this subdivision must be made as follows:

- (1) Thirty percent must be paid by the state treasurer to the incorporated cities of the coal-producing county and to any city of a non-coal-producing county when any portion of the city lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county, based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.
- (2) Forty percent must be divided by the state treasurer between the general fund of the coal-producing county and the general fund of any non-coal-producing county when any portion of the latter county lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county. The non-coal-producing county portion must be based upon the ratio which the assessed valuation of all quarter sections of land in that county, any portion of which lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation, bears to the combined assessed valuations of all land in the coal-producing county and the quarter sections of land in the non-coal-producing county within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation. The county director of tax equalization of the coal-producing county shall certify to the state treasurer the number of quarter sections of land in the non-coal-producing counties which lie at least in part within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation and their assessed valuations.
- (3) Thirty percent must be apportioned by the state treasurer to school districts within the coal-producing county and to school districts in adjoining non-coal-producing counties when a portion of those school districts' land includes any of the quarter sections of land certified by the director of tax equalization to the state treasurer to be eligible to share county funds as provided for in paragraph 2. The county superintendent of the non-coal-producing counties shall certify to the state treasurer the number of students actually residing on these quarter sections lying outside the coal-producing county and each school district in non-coal-producing counties shall receive a portion of the money under this paragraph based upon the ratio of the number of children residing on quarter sections of that school district within the fifteen-mile [24.14-kilometer] radius of the tipple of a currently active coal mining operation to the total number of schoolchildren from the

coal-producing county combined with all the schoolchildren certified to be living on quarter sections within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county.

- (4) For the purposes of this subdivision:
- (a) The terms "currently active coal mining operation in a county", "currently active coal mining operation in the coal-producing county", and "currently active coal mining operation" mean a coal mining operation that produced more than one hundred fifty thousand tons [136077.71 metric tons] of coal in a coal-producing county during the prior quarterly period.
 - (b) The term "coal-producing county" means a county in which more than one hundred fifty thousand tons [136077.71 metric tons] of coal were mined in the prior quarterly period.
 - (c) The term "another county in which no coal is mined" means a county in which not more than seventy-five thousand tons [68038.86 metric tons] of coal were mined in the prior quarterly period.
 - (d) The terms "non-coal-producing county" and "non-coal-producing counties" mean any county in which not more than seventy-five thousand tons [68038.86 metric tons] of coal were mined in the prior quarterly period.
 - (e) In computing each amount to be paid as provided in paragraph 1, 2, or 3 for coal severance tax revenue from coal mined during a monthly period, the state treasurer shall deduct from the allocation the amount of coal severance tax revenue, if any, that the governmental body in the non-coal-producing county received from the coal mined in the non-coal-producing county during the same monthly period.
- (5) The state treasurer shall allocate funds provided by legislative appropriation to cities, the county general fund, and school districts within a coal-producing county according to the allocation method provided in subdivision a in an amount to offset fifty percent of the loss of that county's share of coal severance tax revenue allocated to a non-coal-producing county under this subdivision in the previous calendar year for the payments through calendar year 2018 and to offset thirty percent of the loss of that county's share of coal severance tax revenue allocated to a non-coal-producing county under this subdivision in the previous calendar year for payments after calendar year 2018. The state treasurer shall make the allocation and distribute the funds, within the limits of legislative appropriations, under this paragraph during the first month of each calendar year. The state treasurer shall include in each biennial budget request the amounts estimated to be necessary for the biennium for purposes of this paragraph, based on the allocations under this subdivision in the most recent calendar years.

Approved April 19, 2017

Filed April 20, 2017

CHAPTER 5

HOUSE BILL NO. 1006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans' credit; to provide for a continuing appropriation; to provide for transfers; to provide an exemption; to create and enact a new section to chapter 57-01 of the North Dakota Century Code, relating to a multistate tax audit fund; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veterans' credit, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,528,135	\$195,869	\$21,724,004
Operating expenses	7,628,262	(878,967)	6,749,295
Capital assets	16,000	(10,000)	6,000
Homestead tax credit	18,690,000	(3,890,000)	14,800,000
Disabled veterans' credit	<u>7,175,091</u>	<u>935,109</u>	<u>8,110,200</u>
Total all funds	\$55,037,488	(\$3,647,989)	\$51,389,499
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$54,912,488	(\$3,647,989)	\$51,264,499
Full-time equivalent positions	136.00	(3.00)	133.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$353,067 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Scanners <u>\$8,000</u>	<u>\$0</u>	
Total general fund	\$8,000	\$0

SECTION 4. LINE ITEM TRANSFERS - 2015-17 BIENNIUM. The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of chapter 40 of the 2015 Session Laws if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

SECTION 5. LINE ITEM TRANSFERS - 2017-19 BIENNIUM. The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

SECTION 6. TRANSFER. There is transferred to the general fund in the state treasury out of motor vehicle fuel tax revenue collected pursuant to section 57-43.1-02, the sum of \$2,016,120 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. EXEMPTION - SALES TAX AUDIT POSITION. Up to \$75,000 of the amount appropriated from the general fund to the tax commissioner in section 1 of chapter 40 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this amount are available to provide salaries and wages funding for a sales tax audit position during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. A new section to chapter 57-01 of the North Dakota Century Code is created and enacted as follows:

Multistate tax audit fund - Continuing appropriation - Transfers to the general fund.

There is created in the state treasury the multistate tax audit fund. The fund consists of all moneys collected and received by the tax commissioner as a result of participation in the multistate tax commission audit and nexus programs. All moneys in the fund are appropriated to the tax commissioner on a continuing basis to pay the multistate tax commission audit and nexus program fees. On or before June thirtieth of each year, the tax commissioner shall certify to the state treasurer the amount of accumulated funds in the multistate tax audit fund which exceed the audit and nexus program fees for the following year. The state treasurer shall transfer the certified amount from the multistate tax audit fund to the general fund prior to the end of each fiscal year.

SECTION 9. EMERGENCY. Section 4 of this Act is declared to be an emergency measure.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 6

HOUSE BILL NO. 1007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights; to amend and reenact sections 14-02.4-15 and 34-14-09 of the North Dakota Century Code, relating to discriminatory practices in public services and employee claims for wages; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of the department of labor and human rights, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$2,423,746	(\$8,762)	\$2,414,984
Operating expenses	<u>361,327</u>	<u>(32,409)</u>	<u>328,918</u>
Total all funds	\$2,785,073	(\$41,171)	\$2,743,902
Less estimated income	<u>437,832</u>	<u>2,084</u>	<u>439,916</u>
Total general fund	\$2,347,241	(\$43,255)	\$2,303,986
Full-time equivalent positions	15.00	(1.00)	14.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$37,165 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. AMENDMENT. Section 14-02.4-15 of the North Dakota Century Code is amended and reenacted as follows:

14-02.4-15. Public services - Discriminatory practices.

1. It is a discriminatory practice for a person engaged in the provision of public services to fail to provide to ~~a person~~ an individual access to the use of and benefit thereof, or to give adverse or unequal treatment to ~~a person~~ an individual in connection therewith because of the ~~person's~~ individual's race, color, religion, sex, national origin, age, physical or mental disability, or status with respect to marriage or public assistance.
2. Subsection 1 does not apply to:
 - a. An individual committed to the legal and physical custody of the department of corrections and rehabilitation; or
 - b. An individual confined in a correctional facility, as defined in section 12-44.1-01.

SECTION 4. AMENDMENT. Section 34-14-09 of the North Dakota Century Code is amended and reenacted as follows:

34-14-09. Employees' remedies - Limitation on wages collectible.

1. An employee may file with the department a claim for wages due under this chapter or under chapter 34-06 ~~with the department not later than if the filing is made within~~ two years from the date the wages are due and the amount of the wages claimed due is at least one hundred twenty-five dollars but not more than fifteen thousand dollars. For purposes of this section, wages are due at each regular payday immediately following the work period during which wages were earned. ~~Whenever~~ If the department denies the claim for wages due because the amount claimed is less than one hundred twenty-five dollars, the department shall inform the claimant of the opportunity for the claimant to pursue the claim in small claims court under chapter 27-08.1. If the department denies the claim for wages due because the amount claimed is more than fifteen thousand dollars, the department shall inform the claimant of the opportunity for the claimant to pursue the claim in district court under chapter 27-05.
2. If the labor commissioner determines that wages have not been paid and that the unpaid wages constitute an enforceable claim, the commissioner, upon request of the employee, may take an assignment in trust for the wages or a claim for liquidated damages in amounts the commissioner deems valid and enforceable without being bound by ~~any of~~ the technical rules respecting the validity of any assignments and may bring any legal action necessary to collect the claim. With the consent of the assigning employee at the time of the assignment, the commissioner may settle and adjust the claim to the same extent as the assigning employee.
3. The limitation of action under section 34-01-13 is tolled by the filing of a claim with the commissioner until the commissioner determines the claim is not enforceable or the commissioner reassigns the claim to the employee. ~~With the consent of the assigning employee at the time of the assignment, the commissioner may settle and adjust the claim to the same extent as the assigning employee.~~

SECTION 5. EXPIRATION DATE. Section 4 of this Act is effective through June 30, 2019, and after that date is ineffective.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 7

HOUSE BILL NO. 1008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 57-43.2-19 of the North Dakota Century Code, relating to the special fuels excise taxes distribution of funds; to provide for a legislative management study; and to authorize transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,643,095	(\$445,811)	\$9,197,284
Operating expenses	1,877,562	(47,736)	1,829,826
Capital assets	26,400	(16,400)	10,000
Grants	20,000	0	20,000
Abandoned mined lands contractual	8,000,000	(2,000,000)	6,000,000
Rail rate complaint case	900,000	0	900,000
Railroad safety program	523,345	41,323	564,668
Specialized legal services	<u>150,000</u>	<u>380,000</u>	<u>530,000</u>
Total all funds	\$21,140,402	(\$2,088,624)	\$19,051,778
Less estimated income	<u>13,964,575</u>	<u>(1,543,559)</u>	<u>12,421,016</u>
Total general fund	\$7,175,827	(\$545,065)	\$6,630,762
Full-time equivalent positions	46.00	(1.00)	45.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$116,809, of which \$70,945 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Specialized legal services	<u>\$575,624</u>	<u>\$436,000</u>
Total all funds	\$575,624	\$436,000
Total special funds	<u>336,000</u>	<u>436,000</u>
Total general fund	\$239,624	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The public service commission 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.

SECTION 4. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the public service commission the sum of \$900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act to pay for costs associated with a rail rate complaint case. Transfers must be made during the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$100,000, of one-time funding from the strategic investment and improvements fund for specialized legal service costs during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. (Effective July 1, 2015, through June 30, 2019) Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred ~~seventy-five~~eighty-five thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

(Effective after June 30, 2019) Transfer, deposit, and distribution of funds. All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in the highway tax distribution fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF WIND ENERGY.

1. During the 2017-18 interim, the legislative management shall consider studying the impact of wind energy development on the environment, addressing and researching issues common to North Dakota landowners, and identifying potential issues for legislation. The study may include consideration of:
 - a. The impact of wind energy development on the environment, including aesthetic impacts;
 - b. The impact of wind energy development on property values;
 - c. The impact of wind energy development on agriculture;

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- d. The advantages and disadvantages of implementing legislation for pooling or unitization of wind resources similar to that of the oil and gas industry in chapter 38-08; and
 - e. The necessary processes for the decommissioning of a wind energy project.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 8

HOUSE BILL NO. 1009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide for a transfer; to provide for a report; and to amend and reenact sections 4.1-16-06 and 4.1-16-07 of the North Dakota Century Code, relating to beekeeper license fees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,534,265	(\$161,316)	\$12,372,949
Operating expenses	6,419,121	1,025,215	7,444,336
Capital assets	8,000	5,000	13,000
Grants	8,392,774	545,000	8,937,774
Board of animal health	1,006,773	(141,055)	865,718
Wildlife services	1,401,257	6,743	1,408,000
Crop harmonization board	75,000	0	75,000
Pipeline restoration and reclamation oversight program	<u>400,000</u>	<u>(200,000)</u>	<u>200,000</u>
Total all funds	\$30,237,190	\$1,079,587	\$31,316,777
Less estimated income	<u>20,276,053</u>	<u>1,931,623</u>	<u>22,207,676</u>
Total general fund	\$9,961,137	(\$852,036)	\$9,109,101
Full-time equivalent positions	77.00	(4.00)	73.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$188,477, of which \$101,972 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Information technology analysis	\$100,222	\$0
Department web redesign	50,000	0
National genomics center	711,138	120,000
Federal environmental law impact review	0	<u>1,000,000</u>
Total all funds	\$861,360	\$1,120,000

Less estimated income	0	<u>1,120,000</u>
Total general fund	\$861,360	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The agriculture commissioner 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.

SECTION 4. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$6,446,503 from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$614,430 from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ESTIMATED INCOME. The estimated income line item in section 1 of this Act includes a sum of \$1,000,000, which the office of management and budget shall transfer from the strategic investment and improvements fund to the federal environmental law impact review fund for the use by the agriculture commissioner, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION. The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. AMENDMENT. Section 4.1-16-06 of the North Dakota Century Code is amended and reenacted as follows:

4.1-16-06. License fee.

The fee for a beekeeper's license is five dollars. All fees collected must be deposited in the agriculture commissioner operating fund.

SECTION 12. AMENDMENT. Section 4.1-16-07 of the North Dakota Century Code is amended and reenacted as follows:

4.1-16-07. Colony assessment.

In addition to the license fee required by section 4.1-16-06, an applicant for a license must submit a colony assessment in an amount equal to fifteen cents multiplied by the maximum number of colonies listed in the application. All fees collected must be deposited in the agriculture commissioner operating fund.

Approved April 14, 2017

Filed April 17, 2017

CHAPTER 9

HOUSE BILL NO. 1010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide an appropriation for the distribution of funds from the insurance tax distribution fund; to provide a transfer; and to amend and reenact section 18-04-05 of the North Dakota Century Code, relating to payments to fire departments from the insurance tax distribution fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,943,097	(\$393,530)	\$8,549,567
Operating expenses	<u>2,512,042</u>	<u>(332,265)</u>	<u>2,179,777</u>
Total special funds	\$11,455,139	(\$725,795)	\$10,729,344
Full-time equivalent positions	49.50	(3.50)	46.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$124,767 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Boiler inspection software program	\$90,000	\$0
Computerized database for firefighters	130,000	0
Total special funds	\$220,000	\$0

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$15,064,086 or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$14,235,561 and payments to the North Dakota firefighter's association in the amount of \$828,525 for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. BONDING FUND. Section 1 of this Act includes \$52,004 from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. FIRE AND TORNADO FUND. Section 1 of this Act includes \$1,797,218 from the state fire and tornado fund to pay fire and tornado fund administrative expenses, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$29,703 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. PETROLEUM RELEASE COMPENSATION FUND. Section 1 of this Act includes \$119,472 from the petroleum release compensation fund to pay petroleum release compensation fund administrative expenses for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - INSURANCE TAX DISTRIBUTION FUND - GENERAL FUND. Notwithstanding section 7 of chapter 50 of the 2015 Session Laws, any amounts in the insurance tax distribution fund continued into the 2017-19 biennium pursuant to section 7 of chapter 50 of the 2015 Session Laws, must be transferred to the general fund on August 1, 2017.

SECTION 10. AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.
2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, subject to legislative appropriations.
4. The insurance commissioner shall compute the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. The insurance commissioner shall allocate one-half of the biennial legislative appropriation ~~which must be based on an amount equal to one hundred percent of the total premium tax collected for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance, less the amount transferred to the firefighters death benefit fund and the amount distributed to the North Dakota firefighter's association~~ for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance

on property within the city, certified rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 10

HOUSE BILL NO. 1011

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the securities department for the purpose of defraying the expenses of the securities department, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,801,279	\$47,388	\$1,848,667
Operating expenses	<u>459,502</u>	<u>46,545</u>	<u>506,047</u>
Total all funds	\$2,260,781	\$93,933	\$2,354,714
Less estimated income	<u>170,000</u>	<u>0</u>	<u>170,000</u>
Total general fund	\$2,090,781	\$93,933	\$2,184,714
Full-time equivalent positions	9.00	0.00	9.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$23,892 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

Approved April 14, 2017

Filed April 17, 2017

CHAPTER 11**HOUSE BILL NO. 1012**

(Appropriations Committee)

AN ACT to provide appropriations for defraying the expenses of the department of human services; to authorize the department of human services to convey land in Walsh County; to amend and reenact subsection 1 of section 23-09.3-01.1, subsection 1 of section 23-16-01.1, section 50-24.1-37, and subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the moratorium on basic care, nursing facility bed capacity, Medicaid expansion, and tobacco settlement trust fund transfers; to repeal section 50-24.1-37 of the North Dakota Century Code, relating to the Medicaid expansion program; to provide for exemptions; to provide statements of legislative intent; to provide for reports to the legislative management; to provide for legislative management studies; to authorize transfers; to provide an expiration date; to provide a contingent effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$28,049,386	(\$1,769,247)	\$26,280,139
Operating expenses	87,542,966	72,572,860	160,115,826
Capital assets	26,000	(26,000)	0
Grants	0	204,000	204,000
Total all funds	\$115,618,352	\$70,981,613	\$186,599,965
Less estimated income	<u>71,324,758</u>	<u>58,154,800</u>	<u>129,479,558</u>
Total general fund	\$44,293,594	\$12,826,813	\$57,120,407

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$58,102,898	\$3,667,008	\$61,769,906
Operating expenses	107,383,843	17,338,098	124,721,941
Capital assets	0	10,000	10,000
Grants	457,953,280	(24,485,621)	433,467,659
Grants - medical assistance	2,384,560,568	213,559,361	2,598,119,929
Total all funds	\$3,008,000,589	\$210,088,846	\$3,218,089,435

Less estimated income	<u>1,995,024,801</u>	<u>165,841,615</u>	<u>2,160,866,416</u>
Total general fund	\$1,012,975,788	\$44,247,231	\$1,057,223,019

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$198,888,443	(\$2,838,954)	\$196,049,489
Institutions	<u>139,587,498</u>	<u>833,726</u>	<u>140,421,224</u>
Total all funds	\$338,475,941	(\$2,005,228)	\$336,470,713
Less estimated income	<u>132,820,302</u>	<u>5,723,403</u>	<u>138,543,705</u>
Total general fund	\$205,655,639	(\$7,728,631)	\$197,927,008

Subdivision 4.

COUNTY SOCIAL SERVICE FINANCING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social service financing	\$0	<u>\$26,000,000</u>	<u>\$26,000,000</u>
Total all funds	\$0	\$26,000,000	\$26,000,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$0	\$26,000,000	\$26,000,000

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,262,925,021	\$75,345,413	\$1,338,270,434
Grand total special funds	<u>2,199,169,861</u>	<u>229,719,818</u>	<u>2,428,889,679</u>
Grand total all funds	\$3,462,094,882	\$305,065,231	\$3,767,160,113
Full-time equivalent positions	2,211.08	(54.85)	2,156.23

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$5,914,453, of which \$4,962,381 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriations in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Developmental disabilities equipment	\$10,000	\$0
Heating plant repairs and upgrades - state hospital	1,156,000	0
Heating plant repairs and upgrades - life skills and transition center	75,000	0
Window replacement - life skills and transition center	44,000	0
Equipment over \$5,000 - state hospital	275,000	0
Equipment over \$5,000 - life skills and transition center	200,000	0
Extraordinary repairs - state hospital	1,000,000	0

Extraordinary repairs - life skills and transition center	1,250,000	0
Assistive technology services	80,000	0
Modification of eligibility systems	60,872,269	0
Medicaid expansion - fee schedule enhancement	0	226,000,000
County social services pilot program	0	26,000,000
Child care licensing and data system	0	3,000,000
Health information network/care coordination	0	40,800,000
Total all funds	\$64,962,269	\$295,800,000
Less estimated income	<u>46,870,102</u>	<u>269,800,000</u>
Total general fund	\$18,092,167	\$26,000,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of human services 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.

SECTION 4. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2017, and ending June 30, 2019. The department of human services shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2018, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-sixth legislative assembly regarding any transfers made pursuant to this section.

SECTION 5. EXEMPTION. The amount appropriated for the replacement of the Medicaid management information system and related projects in chapter 50 of the 2007 Session Laws and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15 biennium and then the 2015-17 biennium are available for the completion of the Medicaid management information system and related projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium and then the 2015-17 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. EXEMPTION. The amount appropriated for the development of the electronic health records system in chapter 12 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2015-17 biennium are available for the completion of the electronic health records system during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. ESTIMATED INCOME. Of funds appropriated in section 1 of this Act, \$37,779,159 is from the tobacco prevention and control trust fund for the purpose of defraying expenses of the department of human services, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. ESTIMATED INCOME. Of funds appropriated in section 1 of this Act, \$1,686,191 is from the health care trust fund for the purpose of defraying expenses of long-term care services programs, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ESTIMATED INCOME. Of funds appropriated in section 1 of this Act, \$18,000,000 is from the community health trust fund for the purpose of defraying expenses in the medical services division, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. APPROPRIATION - 2015-17 BIENNIUM. There is appropriated out of special funds derived from federal funds, not otherwise appropriated, the sum of \$9,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying medical assistance grant costs, for the period beginning with the effective date of this Act and ending June 30, 2017.

SECTION 12. APPROPRIATION - 2015-17 BIENNIUM - REBASING, OPERATING MARGINS, AND INCENTIVES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$417,010, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$417,010, or so much of the sum as may be necessary, to the department of human services for the purpose of adjusting long-term care facility rates relating to rebasing, operating margins, and incentives, for the period beginning June 1, 2017, and ending June 30, 2017.

SECTION 13. APPROPRIATION - 2015-17 BIENNIUM - SUBSTANCE USE DISORDER VOUCHER PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the substance use disorder voucher program, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 14. LEGISLATIVE INTENT - SUBSTANCE USE DISORDER VOUCHER PROGRAM - MEDICATION ASSISTED TREATMENT. It is the intent of the sixty-fifth legislative assembly that the department of human services include medication assisted treatment as an allowable service under the substance use disorder voucher program. It is also the intent that payments for medication dispensed as part of the treatment be established quarterly, based on the Medicaid allowed amount, plus a weekly dispensing and administration fee of no more than the dispensing fee established under the state's medical assistance program.

SECTION 15. LEGISLATIVE INTENT - RESTORATION FUNDING FOR BASIC CARE. It is the intent of the sixty-fifth legislative assembly that the funding appropriated to the department of human services for the restoration of basic care provider rates be prioritized in the following order:

1. Operating margin;
2. Medical leave days; and then
3. Increase to limits.

SECTION 16. LEGISLATIVE INTENT - MEDICAID EXPANSION - FEE SCHEDULE. It is the intent of the sixty-fifth legislative assembly that the one-time funding of \$226,000,000, of which \$13,300,000 is from the tobacco prevention and

control trust fund, provided for defraying a portion of the expenses of the Medicaid expansion program be used for establishing the provider fee schedule at the maximum level possible without exceeding the current levels of reimbursement for the Medicaid expansion contracted providers.

SECTION 17. LEGISLATIVE INTENT - POLICY CHANGES AND CLARIFICATION RELATED TO HOME HEALTH. It is the intent of the sixty-fifth legislative assembly that the department of human services adopt rules in accordance with the Medicaid program, face-to-face requirements for home health services; policy changes and clarifications related to home health final rule published by the centers for Medicare and Medicaid services on February 2, 2016; title 42, Code of Federal Regulations, part 440. It is further the intent of the legislative assembly that the department require certified home health agencies to ensure a face-to-face visit occurred between a physician and Medicaid beneficiary before initiating home health services, and to ensure a face-to-face visit between a physician or nonphysician provider occurred before providing medical equipment, supplies, and appliances. It is further the intent of the legislative assembly that the department adopt rules to define medical equipment, supplies, and appliances and specify allowable time frames for the face-to-face visits.

SECTION 18. LEGISLATIVE INTENT - CARE COORDINATION AGREEMENTS. It is the intent of the sixty-fifth legislative assembly that the department of human services establish requisite agreements with tribal health care organizations that will result in one hundred percent federal funding for eligible medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019.

SECTION 19. CARE COORDINATION AGREEMENTS - HEALTH CARE TRUST FUND DEPOSITS. The department of human services shall deposit any federal funding received in excess of the state's regular federal medical assistance percentage resulting from the department establishing requisite agreements with tribal health care organizations in the health care trust fund for the biennium beginning July 1, 2017, and ending June 30, 2019. The department shall maintain a separate account within the health care trust fund for this funding.

SECTION 20. LEGISLATIVE INTENT - BRAIN INJURY - 1915(i) STATE PLAN AMENDMENT. It is the intent of the sixty-fifth legislative assembly that the department of human services include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid 1915(i) state plan amendment. The department may utilize existing funding available in the department's budget for enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 21. LEGISLATIVE INTENT - GRAFTON JOB SERVICE NORTH DAKOTA BUILDING PURCHASE. It is the intent of the sixty-fifth legislative assembly that the department of human services purchase the Grafton job service North Dakota building using donated funds for the use of the life skills and transition center, but only if anticipated revenues generated from use of the building will be sufficient to provide for the operating and maintenance costs of the building.

SECTION 22. CONVEYANCE OF LAND AUTHORIZED - LIFE SKILLS AND TRANSITION CENTER. The state of North Dakota by and through the department of human services may convey real property containing 3.46 acres, more or less, associated with the life skills and transition center in Grafton. The department may convey a parcel of land described as follows: the north fifty-eight feet of said north half of the southeast quarter of section twenty-five less the railroad right-of-way and

the south forty feet of the north ninety-eight feet of the west one hundred twenty-three feet of said north half of the southeast quarter of section twenty-five less the railroad right-of-way on the terms and conditions determined appropriate by the department and the attorney general. Section 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 23. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES CASE MANAGEMENT. It is the intent of the sixty-fifth legislative assembly that the department of human services provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code for the biennium beginning July 1, 2017, and ending June 30, 2019. If case management services for individuals with a developmental disability exceed the ratio requirement provided in the North Dakota Administrative Code, the department may hire temporary staff or the department may propose a change to North Dakota Administrative Code to meet the ratio requirement.

SECTION 24. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - PROGRAMMATIC AND ADMINISTRATIVE REQUIREMENTS. It is the intent of the sixty-fifth legislative assembly that the department of human services report all new programmatic and administrative requirements to the centers for Medicare and Medicaid services and seek waivers of the same unless the director finds immediate full compliance necessary for individuals with disabilities.

SECTION 25. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - CONFLICT-FREE CASE MANAGEMENT. It is the intent of the sixty-fifth legislative assembly that the department of human services request waivers or delays of implementation of conflict-free case management rules and requirements for individuals with a developmental disability.

SECTION 26. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - VARIANCE. It is the intent of the sixty-fifth legislative assembly that during the 2017-19 biennium, the department of human services may authorize a treatment or care center's variance request relating to the treatment or care center's bedrooms or bathrooms, if the department determines the variance does not pose a health or safety risk. It is also the intent that the department of human services adopt rules to establish a variance process that allows the department to grant a variance if the variance will not pose a danger to the health or safety of an individual served by the treatment or care center.

SECTION 27. LEGISLATIVE INTENT - PROCESS AND OUTCOME MEASURES. It is the intent of the sixty-fifth legislative assembly that behavioral health service providers that receive funding from the department of human services submit process and outcome measures to the department for programs and services supported by state funding.

SECTION 28. LEGISLATIVE INTENT - TELEPHONE SUPPORT AND DIRECTORY SERVICES. It is the intent of the sixty-fifth legislative assembly that the vendor of telephone and directory services, under contract with the department of human services, include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

SECTION 29. REPORTING REQUIREMENTS - YOUTH ACCESS TO TOBACCO. The operating expenses line item in subdivision 2 of section 1 of this Act includes \$75,000 from the tobacco prevention and control trust fund for costs of complying with youth access to tobacco reporting requirements under title 45, Code of Federal Regulations, part 96, section 130, for the biennium beginning July 1, 2017,

and ending June 30, 2019. The state department of health and local public health units shall collect and disclose all required data reporting elements to the department of human services.

SECTION 30. ROBINSON RECOVERY CENTER FUNDING. Notwithstanding the designation of funding for the Robinson recovery center in the appropriation for the department of human services in section 1 of this Act, the department of human services may utilize other providers for substance use disorder treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 31. LEGISLATIVE INTENT - OPERATING EXPENSES. It is the intent of the sixty-fifth legislative assembly that the department of human services analyze its budgetary needs and allocate up to \$650,000 from the general fund included in the operating expenses line item in subdivision 1 of section 1 of this Act to other line items in subdivisions 1, 2, and 3 within section 1 of this Act based on the department's priorities resulting from its analysis.

SECTION 32. LEGISLATIVE MANAGEMENT STUDY - STATE MEDICAL ASSISTANCE PROGRAMS.

1. During the 2017-18 interim, the legislative management shall consider studying options to operate the state medical assistance program and other related programs, as managed care. The study must:
 - a. Identify and review populations to consider for managed care, including individuals eligible under traditional medical assistance, Medicaid expansion, the children's health insurance program, and individuals receiving services through the long-term care and developmental disabilities programs.
 - b. Consider the needs of individuals receiving services from managed care programs in similar-sized states, and the alignment of benefit packages.
 - c. Review populations covered by the program of all-inclusive care for the elderly in other states.
 - d. Consider options for including services under a managed care arrangement.
 - e. Consider developing a proposed plan, cost estimates, and potential timeline for implementing the managed care options identified.
 - f. Consider preparing and distributing a request for information from managed care organizations regarding the managed care options identified.
2. 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 33. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES. During the 2017-18 interim, the legislative management shall consider studying state and federal laws and

regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs.

1. The study must include a review of the following:
 - a. The state's services and delivery systems, including whether changes are necessary to maintain compliance with state and federal laws and regulations;
 - b. Efforts by other states to comply with the 1999 Olmstead v. L.C. case, including the planning and implementation process for any new programs;
 - c. Community- and non-community-based services, including the costs and effectiveness of services;
 - d. Noncompliance with state and federal laws and regulations, including a review of the fees and penalties for noncompliance;
 - e. A comparison of voluntary and involuntary compliance with state and federal laws and regulations, including a review of long-term costs and effectiveness;
 - f. The impact of implementation and expansion of selected programs that were added to address unmet needs, including the impact on costs and effectiveness of new programs;
 - g. Needed changes to address noncompliance and a timeline for completing changes;
 - h. Data on the number of individuals who would be impacted by voluntary compliance efforts, and data on the type of services that may need changing, including housing, peer counseling, outpatient treatment, crisis line access, and transportation services; and
 - i. An evaluation of the funding, mission, and caseload at the life skills and transition center, including the center's transition plan and number of clients eligible for community placement.
2. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-sixth legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - DEPARTMENT OF HUMAN SERVICES DELIVERY SYSTEM. During the 2017-18 interim, the legislative management shall consider conducting a comprehensive study of the department of human services.

1. The study must include:
 - a. A review of the continuum of services for each population served, the delivery methods for those services, and the efficiency and effectiveness of the services.
 - b. The involvement of federal, state, and local governments and for-profit and nonprofit entities in the provision and funding of services.

- c. An analysis of the funding levels for the programs and services included in the delivery system.
 - d. Consideration of the appropriate role for each of the entities involved in the delivery system.
 - e. The development of a comprehensive master structure for the system.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - NURSING FACILITY RATES. During the 2017-18 interim, the legislative management shall consider studying the nursing facility rate components to determine the adequacy of reimbursement and evaluate the efficiency of nursing facility operations. The study must identify and review potential quality measures relating to nursing facilities and consider the feasibility and desirability of using quality measures as a component of reimbursement. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. AMENDMENT. Subsection 1 of section 23-09.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Basic care beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019, except when:
 - a. A nursing facility converts nursing facility beds to basic care;
 - b. An entity licenses bed capacity transferred as basic care bed capacity under section 23-16-01.1;
 - c. An entity demonstrates to the state department of health and the department of human services that basic care services are not readily available within a designated area of the state or that existing basic care beds within a fifty-mile [80.47-kilometer] radius have been occupied at ninety percent or more for the previous twelve months. In determining whether basic care services will be readily available if an additional license is issued, preference may be given to an entity that agrees to any participation program established by the department of human services for individuals eligible for services under the medical assistance program under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.]; or
 - d. The state department of health and the department of human services grant approval of new basic care beds to an entity. The approved entity shall license the beds within forty-eight months from the date of approval.

SECTION 37. AMENDMENT. Subsection 1 of section 23-16-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1,

~~2015~~2017, and July 31, ~~2017~~2019. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period.

³ **SECTION 38. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. (Effective January 1, 2014, through July 31, ~~2017~~2019) Medicaid expansion - Legislative management report.

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty level, based on modified adjusted gross income.
2. The department of human services shall inform new enrollees in the medical assistance program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. The department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. The contract between the department and the private carrier must:
 - a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:
 - (1) Be available on the department's website; and
 - (2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.
 - b. Provide full transparency of all costs and all rebates in aggregate.
 - c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.
 - d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.
 - e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's

³ Section 50-24.1-37 was repealed by section 40 of House Bill No. 1012, chapter 11.

contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.

f. Any

5. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.
6. Provider reimbursement rate information received by the department under this section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this section is confidential under section 44-04-17.1, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

⁴ **SECTION 39. AMENDMENT.** Subsection 1 of section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:
 - a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ~~ten-fifty-five~~ percent of total annual transfers from the tobacco settlement trust fund of which a minimum of eighty percent must be used for tobacco prevention and control.
 - b. ~~Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.~~
 - e. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state.

⁴ Section 54-27-25 was also amended by section 13 of Senate Bill No. 2004, chapter 29, and section 2 of Senate Bill No. 2024, chapter 193.

Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

⁵ **SECTION 40. REPEAL.** Section 50-24.1-37 of the North Dakota Century Code is repealed.

SECTION 41. CONTINGENT EFFECTIVE DATE. Section 40 of this Act becomes effective if the executive director of the department of human services certifies to the secretary of state and the legislative council the federal government ended the medical assistance expansion program.

SECTION 42. EXPIRATION DATE. Section 39 of this Act is effective through June 30, 2019, and after that date is ineffective.

SECTION 43. EMERGENCY. Sections 11, 12, 13, and 22 of this Act are declared to be an emergency measure.

Approved April 28, 2017

Filed May 1, 2017

⁵ Section 50-24.1-37 was amended by section 38 of House Bill No. 1012, chapter 11.

CHAPTER 12**HOUSE BILL NO. 1013**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to create and enact a new section to chapter 25-06 and a new section to chapter 25-07 of the North Dakota Century Code, relating to the school for the blind fund and the school for the deaf fund; to repeal section 6-09-45 of the North Dakota Century Code and section 13 of chapter 49 of the 2015 Session Laws, relating to a required transfer from the Bank of North Dakota and a contingent appropriation; to provide exemptions; to provide for a transfer; to provide a statement of legislative intent; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$18,280,006	(\$840,830)	\$17,439,176
Operating expenses	30,517,072	(352,067)	30,165,005
Integrated formula payments	1,916,640,000	18,564,163	1,935,204,163
Grants - special education	17,300,000	2,000,000	19,300,000
Grants - transportation	57,000,000	(1,600,000)	55,400,000
Grants - other grants	267,807,227	(13,424,522)	254,382,705
Grants - program grants	0	6,210,000	6,210,000
Grants - passthrough grants	0	2,898,000	2,898,000
PowerSchool	6,000,000	(500,000)	5,500,000
Transportation efficiency	30,000	0	30,000
National board certification	<u>120,000</u>	<u>0</u>	<u>120,000</u>
Total all funds	\$2,313,694,305	\$12,954,744	\$2,326,649,049
Less estimated income	<u>624,685,766</u>	<u>266,361,299</u>	<u>891,047,065</u>
Total general fund	\$1,689,008,539	(\$253,406,555)	\$1,435,601,984
Full-time equivalent positions	99.75	(8.00)	91.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,019,839	\$132,919	\$4,152,758
Operating expenses	1,713,393	(109,318)	1,604,075
Grants	2,785,500	(676,472)	2,109,028
Total all funds	\$8,518,732	(\$652,871)	\$7,865,861
Less estimated income	2,438,751	(191,191)	2,247,560
Total general fund	\$6,079,981	(\$461,680)	\$5,618,301
Full-time equivalent positions	29.75	(1.00)	28.75

Subdivision 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,291,854	\$296,895	\$7,588,749
Operating expenses	1,925,163	101,380	2,026,543
Capital assets	227,174	664,504	891,678
Grants	186,900	(6,900)	180,000
Total all funds	\$9,631,091	\$1,055,879	\$10,686,970
Less estimated income	1,089,210	2,109,234	3,198,444
Total general fund	\$8,541,881	(\$1,053,355)	\$7,488,526
Full-time equivalent positions	45.61	(0.00)	45.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,554,349	\$106,646	\$4,660,995
Operating expenses	739,169	34,037	773,206
Capital assets	24,454	150,238	174,692
Total all funds	\$5,317,972	\$290,921	\$5,608,893
Less estimated income	569,325	645,422	1,214,747
Total general fund	\$4,748,647	(\$354,501)	\$4,394,146
Full-time equivalent positions	30.00	(1.50)	28.50

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,708,379,048	(\$255,276,091)	\$1,453,102,957
Grand total special funds	628,783,052	268,924,764	897,707,816
Grand total all funds	\$2,337,162,100	\$13,648,673	\$2,350,810,773

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in subdivisions 1, 2, 3, and 4 of section 1 of this Act include funding from the general fund and special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month. Total funding provided is as follows:

	<u>General fund</u>	<u>Special funds</u>	<u>Total</u>
Department of public instruction	\$65,196	\$181,686	\$246,882
State library	66,885	10,100	76,985

School for the deaf	117,494	3,584	121,078
North Dakota vision services - school for the blind	<u>82,223</u>	<u>70</u>	<u>82,293</u>
Total	\$331,798	\$195,440	\$527,238

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriations in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Department of public instruction		
Cardiopulmonary resuscitation training grants	\$165,500	\$0
Free or reduced meals information technology	30,000	0
Rapid enrollment grants	12,504,530	0
Regional education association merger grants	0	100,000
North Dakota governor's school science, technology, engineering, and mathematics programs	0	220,000
Integrated formula payments	0	<u>185,000,000</u>
Total department of public instruction - all funds	\$12,700,030	\$185,320,000
Total department of public instruction - estimated income	<u>0</u>	<u>185,320,000</u>
Total department of public instruction - general fund	\$12,700,030	\$0
State library		
Library repair grants	<u>\$250,000</u>	<u>\$0</u>
Total state library - general fund	\$250,000	\$0
School for the deaf		
Extraordinary repairs	\$600,000	\$675,000
Equipment	0	28,000
Video equipment and software	<u>0</u>	<u>30,000</u>
Total school for the deaf - estimated income	\$600,000	\$733,000
North Dakota vision services - school for the blind		
Equipment	\$21,000	\$0
Special assessments payoff	19,000	10,000
Server and access points	16,000	0
Heating and cooling upgrade	0	35,500
Replace water line	0	60,000
Carpet and reception upgrade	<u>0</u>	<u>30,000</u>
Total school for the blind - estimated income	\$56,000	\$135,500
Grand total - all funds	\$13,606,030	\$186,188,500
Grand total - estimated income	<u>656,000</u>	<u>186,188,500</u>
Grand total - general fund	\$12,950,030	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of public instruction, school for the deaf, and North Dakota vision services - school for the blind 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.

SECTION 4. TRANSFER - PUBLIC INSTRUCTION FUND TO STATE TUITION FUND. During the biennium beginning July 1, 2017, and ending June 30, 2019, the office of management and budget shall transfer \$4,282,905 from the public instruction fund to the state tuition fund for the purpose of providing funding for integrated formula payments.

SECTION 5. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$305,546,905, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$295,100,000 from the foundation aid stabilization fund. Of this amount, \$100,000 is for regional education association merger grants and \$295,000,000 is for integrated formula payments. Of the total provided, \$185,100,000 is considered to be one-time funding.

SECTION 7. ESTIMATED INCOME - ONE-TIME FUNDING - STUDENT LOAN TRUST FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes \$220,000 from the student loan trust fund for the purpose of providing a one-time grant for North Dakota governor's school science, technology, engineering, and mathematics programs.

SECTION 8. FUNDING TRANSFER - EXEMPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the superintendent of public instruction may transfer up to \$1,200,000 from the integrated formula payments line item to the grants - special education line item and up to \$108,000 from the integrated formula payments line item to the grants - transportation line item, for the biennium beginning July 1, 2015, and ending June 30, 2017. The superintendent of public instruction shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 9. EXEMPTION - ADVANCED PLACEMENT PROGRAM FUNDING. The unexpended amount remaining from the transfer of \$1,252,627 from the 2013-15 biennium, as authorized in section 32 of chapter 137 of the 2015 Session Laws to enhance the delivery of and the participation of students and teachers in advanced placement courses during the 2015-17 biennium, is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for the purpose of program grants, including leveraging the senior year, leadership program, continuing education grants, preschool continuing education grants, curriculum alignment grants, and teacher and principal evaluation system grants.

SECTION 10. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2015-17 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2017. To be reimbursed under this section, claims must be properly supported and filed with the superintendent of public instruction by June 30, 2018.

SECTION 11. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION. If funds provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for grants - special education, for the biennium beginning July 1, 2017, and ending June 30, 2019, are not sufficient to meet special education contract obligations, the superintendent of public instruction shall request supplemental funding from the sixty-sixth legislative assembly.

SECTION 12. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 13. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2017-19 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
 - a. One dollar and eleven cents per mile for school buses having a capacity of ten or more passengers.
 - b. Fifty-two cents per mile for vehicles having a capacity of nine or fewer passengers.
 - c. Fifty cents per mile, provided:
 - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
 - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
 - (3) The student is transported by an adult member of the student's family;
 - (4) The student is transported in a vehicle furnished by the student's parents;
 - (5) The student's transportation is paid for by the student's parents; and
 - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
 - d. Fifty cents per mile, one way, provided:
 - (1) The student being transported resides more than two miles from the public school that the student attends;

- (2) The student is transported by an adult member of the student's family;
 - (3) The student is transported in a vehicle furnished by the student's parents; and
 - (4) The student's transportation is paid for by the student's parents.
- e. Thirty cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
 3. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 14. PROGRAM GRANT POOL - CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The line item entitled grants - program grants included in subdivision 1 of section 1 of this Act includes \$1,530,000 for a program grant pool. The superintendent of public instruction shall use the funding provided for various grant programs, including up to \$75,000, or so much of the sum as may be necessary, for continuing education grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

1. The superintendent of public instruction shall award continuing education grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
 - b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.
2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 15. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME FUNDING - DISTRIBUTION. The grants - other grants line item included in subdivision 1 of section 1 of this Act includes \$100,000 from the foundation aid stabilization fund for the purpose of providing a one-time \$25,000 grant to each regional education association that merges with another regional education association to form a single entity with a single governing board during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 16. REGIONAL EDUCATION ASSOCIATION GRANTS - DISTRIBUTION. The integrated formula payments line item included in subdivision 1 of section 1 of this Act includes \$500,000 from the general fund for the purpose of providing annual grants to regional education associations for the biennium beginning July 1, 2017, and ending June 30, 2019. An annual grant of \$31,250 is provided to each regional education association that exists as of July 1, 2017. Regional education associations that merge during the 2017-19 biennium are entitled to the annual grants that would have been paid to each of the member associations.

SECTION 17. EXEMPTION - INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 18. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$1,737,528 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2018.

SECTION 19. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 20. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM. The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing, for the biennium beginning July 1, 2017, and ending June 30, 2019. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds must be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on an uniform hourly reimbursement.
2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.
4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred, during the biennium, hourly expenses in excess of the formula reimbursement level.
5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 21. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION - REPORTING. The line item entitled grants - passthrough grants included in subdivision 1 of section 1 of this Act includes \$2,100,000 for passthrough grants for writing projects, an entrepreneur program, and a mentoring program. The superintendent of public instruction shall determine the manner in which each passthrough grant is distributed. Grantees, as a condition of receiving the grant, must establish performance measures to be reviewed by the superintendent of public instruction. Grantees shall report to the superintendent of public instruction regarding performance based on the measures before October 1, 2018. The superintendent of public instruction shall report to the appropriations committees of the sixty-sixth legislative assembly regarding funds granted, performance measures established for each grantee, and whether grantees met performance expectations.

SECTION 22. LEGISLATIVE INTENT - TEACHER AND ADMINISTRATOR MENTORING. It is the intent of the sixty-fifth legislative assembly that school districts, in addition to mentoring services provided by the state, use federal title II funding for teacher and administrator mentoring.

SECTION 23. LEGISLATIVE MANAGEMENT STUDY - EDUCATIONAL PROGRAMS. During the 2017-18 interim, the legislative management shall consider studying the feasibility and desirability of combining services for any or all English language learner programs, distance learning programs, regional education agencies, teacher center networks, adult learning centers, career and technical education programs, education technology services, continuing education for counselors, educational leadership, and the teacher mentoring program. 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 24. A new section to chapter 25-06 of the North Dakota Century Code is created and enacted as follows:

School for the blind fund.

The school for the blind fund is a special fund in the state treasury. All moneys received pursuant to section 2 of article IX of the Constitution of North Dakota, revenues received from services and leases, and contributions must be deposited in the fund. Moneys in the fund are to be used pursuant to legislative appropriation for the provision of services under this chapter.

SECTION 25. A new section to chapter 25-07 of the North Dakota Century Code is created and enacted as follows:

School for the deaf fund.

The school for the deaf fund is a special fund in the state treasury. All moneys received pursuant to section 2 of article IX of the Constitution of North Dakota and all revenues received from the lease of buildings and the provision of meals and services, including interpreter services, must be deposited in the fund. Moneys in the fund are to be used pursuant to legislative appropriation for provision of services under this chapter.

SECTION 26. REPEAL. Section 6-09-45 of the North Dakota Century Code is repealed.

SECTION 27. REPEAL. Section 13 of chapter 49 of the 2015 Session Laws is repealed.

SECTION 28. EMERGENCY. Sections 8 and 27 of this Act are declared to be emergency measures.

Approved April 25, 2017

Filed April 25, 2017

CHAPTER 13

HOUSE BILL NO. 1014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the committee on protection and advocacy for the purpose of defraying the expenses of the committee on protection and advocacy, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Protection and advocacy operations	\$6,453,779	(\$6,179)	\$6,447,600
Total all funds	\$6,453,779	(\$6,179)	\$6,447,600
Less estimated income	3,432,853	55,748	3,488,601
Total general fund	\$3,020,926	(\$61,927)	\$2,958,999
Full-time equivalent positions	27.50	0.00	27.50

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$74,334, of which \$35,891 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 14

HOUSE BILL NO. 1015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services; to provide for transfers; to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city; to amend and reenact sections 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections 54-06-04.3 and 57-20-04 of the North Dakota Century Code and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, relating to alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities, state agency publication fees, property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund; to provide exemptions; to provide statements of legislative intent; to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management; to provide for a budget section report; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of the office of management and budget, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,798,254	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438

Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$315,900, of which \$259,704 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0
Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Theodore Roosevelt center grant	0	500,000
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	9,775,000	1,800,000
Total general fund	\$6,530,303	\$500,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The office of management and budget 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.

SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,655,646	\$111,666	\$11,767,312
Operating expenses	1,176,806	(34,023)	1,142,783
North Dakota university system information technology security audits	200,000	(200,000)	0
Information technology consultants	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>
Total all funds	\$13,282,452	(\$372,357)	\$12,910,095
Less estimated income	<u>3,505,870</u>	<u>(94,383)</u>	<u>3,411,487</u>
Total general fund	\$9,776,582	(\$277,974)	\$9,498,608
Full-time equivalent positions	59.80	(3.80)	56.00

SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR. The salaries and wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the period beginning with the effective date of this section and ending June 30, 2017.

SECTION 7. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$183,000,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. TRANSFER - CYBERSECURITY REMEDIATION POOL. The office of management and budget may transfer appropriation authority from the cybersecurity remediation pool line item in section 1 of this Act to each eligible agency during the biennium beginning July 1, 2017, and ending June 30, 2019. Transfers may be made for the purpose of providing remediation services resulting from an information technology security breach. The office of management and budget shall notify the legislative council of any transfers made from the cybersecurity remediation pool.

SECTION 14. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with developmental disabilities, during the period beginning with the effective date of this section, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 15. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 16. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 49 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 for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 17. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, as contained in section 1 of chapter 49 of the 2015 Session

Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects.

SECTION 18. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls club work	\$53,000
Unemployment insurance	\$2,000,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$531,450

SECTION 19. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.
2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~
 - d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages.

SECTION 20. AMENDMENT. Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09-15.1. Loans to general fund authorized - Continuing appropriation - Report.

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, ~~execute and issue on behalf of the state evidences of indebtedness on the state general fund which borrow from the Bank of North Dakota in an amount that at no time exceedexceeds the total principal amount of fifty million dollars with principal maturity of not more than twelve monthsnot to extend beyond the biennium in which the borrowing occurs.~~ As a condition precedent to the issuance ~~and sale of the evidences of indebtednessloan,~~ the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the ~~fiscal yearbiennium~~ in which the ~~evidences of indebtedness are to be issuedloan is taken~~ will exceed the principal amount and interest on the ~~evidences of indebtedness to be issuedloan.~~ The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the ~~purchase of the evidences of indebtedness~~ at such rates of interest as the industrial commission may prescribe. ~~After evidences of indebtedness have been issued and sold pursuant to this section,~~ ~~the~~The state treasurer and the director of the office of management and budget shall establish a ~~fundrepayment plan~~ for the repayment of the principal upon maturity and the interest when due. ~~The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.~~ The office of management and budget shall report to the budget section of the legislative management regarding any loans obtained pursuant to this section.

6 SECTION 21. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

8. Upon notification the individual has completed a full year of teaching in a school district ~~or, state-supported school, or nonpublic school~~ in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

7 SECTION 22. A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

⁶ Section 15-10-38 was also amended by section 2 of Senate Bill No. 2037, chapter 125.

⁷ Section 40-05-24 was created by section 1 of Senate Bill No. 2166, chapter 277.

⁸ **SECTION 23. AMENDMENT.** Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

43-26.1-05.1. Use of criminal history record checks.

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee.

⁹ **SECTION 24. AMENDMENT.** Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D].

SECTION 25. AMENDMENT. Section 54-06-04.3 of the North Dakota Century Code is amended and reenacted as follows:

54-06-04.3. Joint publication and distribution of information by state agencies - Fees.

Any state agency may cooperate with any other state agency to jointly publish and distribute information and may arrange to have the joint publication or distribution, or both, coordinated by a private entity. Any state agency may provide information it has collected or developed, including mailing lists, to each other or to any private entity for the purpose of distributing jointly or individually issued publications or other information. If a state agency publication is available on the agency's website or otherwise available in an electronic format and a person requests a paper copy of the publication, the state agency may charge a reasonable fee for providing the paper copy and for mailing the paper copy of the publication.

SECTION 26. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

⁸ Section 43-26.1-05.1 was created by section 2 of Senate Bill No. 2131, chapter 96.

⁹ Section 47-02-27.4 was also amended by section 1 of House Bill No. 1228, chapter 416.

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall makeprepare and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans. Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

SECTION 28. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 21. STUDY OF OIL AND GAS VALUATION - REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE.

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall studyconsider studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:

- a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 29. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~

SECTION 30. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 31. SUSPENSION. Section 54-35-23 of the North Dakota Century Code is suspended.

SECTION 32. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 27 of this Act. Options to be explored include conveyance or transfer to the parks and recreation department, game and fish department, and private parties.

SECTION 33. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
 - a. The governor;
 - b. The lieutenant governor;
 - c. The tax commissioner;
 - d. The executive director of the Indian affairs commission;
 - e. The majority leader of the house of representatives and the majority leader of the senate;

- f. The minority leader of the house of representatives and the minority leader of the senate; and
 - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
3. 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.
4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds.
5. The committee may study tribal-state issues, including government-to-government relations, human services, education, corrections, and issues related to the promotion of economic development.
6. The chairman of the committee shall invite tribal chairmen to each committee meeting.
7. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, including production taxes, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid

stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. 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 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;
2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;
6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 37. EFFECTIVE DATE. Section 22 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 38. EXPIRATION DATE. Section 31 of this Act is effective through July 31, 2019, and after that date is ineffective.

SECTION 39. EMERGENCY. Sections 6, 14, 19, 27, and 32 of this Act are declared to be an emergency measure.

Approved May 2, 2017

Filed May 3, 2017

CHAPTER 15

HOUSE BILL NO. 1016

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide a transfer; and to provide exemptions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of the office of the adjutant general, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,640,086	\$26,439	\$6,666,525
Operating expenses	3,685,547	(159,613)	3,525,934
Capital assets	249,046	32,975,000	33,224,046
Grants	509,514	(190,961)	318,553
Civil air patrol	311,773	(12,193)	299,580
Tuition, recruiting, and retention	2,517,500	100,000	2,617,500
Air guard contract	8,054,554	44,028	8,098,582
Army guard contract	59,870,605	(2,152,661)	57,717,944
Veterans' cemetery	811,486	69,798	881,284
Reintegration program	1,903,743	(642,359)	1,261,384
Total all funds	\$84,553,854	\$30,057,478	\$114,611,332
Less estimated income	66,864,852	31,309,926	98,174,778
Total general fund	\$17,689,002	(\$1,252,448)	\$16,436,554

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,441,232	\$109,887	\$12,551,119
Operating expenses	8,905,310	(1,616,859)	7,288,451
Capital assets	740,000	(171,000)	569,000
Grants	18,673,247	(1,784,088)	16,889,159
Disaster costs	108,165,484	(56,719,643)	51,445,841
Total all funds	\$148,925,273	(\$60,181,703)	\$88,743,570
Less estimated income	137,518,175	(58,224,473)	79,293,702
Total general fund	\$11,407,098	(\$1,957,230)	\$9,449,868

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$29,096,100	(\$3,209,678)	\$25,886,422
Grand total special funds	<u>204,383,027</u>	<u>(26,914,547)</u>	<u>177,468,480</u>
Grand total all funds	\$233,479,127	(\$30,124,225)	\$203,354,902
Full-time equivalent positions	234.00	(0.00)	234.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$591,978, of which \$234,453 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Firefighter stipends	\$500,000	\$0
Disaster coordination contract	1,000,000	0
Veterans' bonus program	500,000	0
Firefighter training	374,172	0
Next Generation 9-1-1	386,000	0
Microsoft SQL enterprise for CAD	90,000	0
Message switch test server	70,000	0
Radio tower redundancy	80,000	0
Disaster coordination contract	200,000	0
Emergency response supplies	275,000	0
Veterans' cemetery land purchase	139,000	0
Flood mitigation	2,000,000	0
National guard readiness center	0	33,000,000
Emergency response equipment	0	569,000
Mobile repeaters and programming radios	<u>0</u>	<u>300,000</u>
Total all funds	\$5,614,172	\$33,869,000
Total other funds	<u>3,769,500</u>	<u>33,869,000</u>
Total general fund	\$1,844,672	\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The adjutant 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.

SECTION 4. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds that are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other

line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2017, and ending June 30, 2019. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes \$300,000 of one-time funding from the strategic investment and improvements fund for mobile repeaters and programming radios.

SECTION 7. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 11 of chapter 50 of the 2015 Session Laws are not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 50 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in section 15 of chapter 50 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to provide tuition assistance to eligible members of the North Dakota national guard, during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. EXEMPTION. Any amounts carried over pursuant to section 16 of chapter 50 of the 2015 Session Laws which are unexpended as of June 30, 2017, are not subject to section 54-44.1-11 and are available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. EXEMPTION. The amount appropriated in the grants line item in subdivision 1 of section 1 of chapter 50 of the 2015 Session Laws for payment of adjusted compensation to veterans is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package pursuant to section 17 of chapter 50 of the 2015 Session Laws are not subject to section 54-44.1-11. Any unexpended funds are available for completing these projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 13. EXEMPTION. Any amounts carried over in the disaster costs line for grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 18 of chapter 50 of the 2015 Session Laws which are unexpended as of June 30, 2017, are not subject to section 54-44.1-11. Any unexpended funds from this

appropriation are available for these purposes during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. EXEMPTION. The amounts appropriated for radio tower redundancy and next generation 911 in the radio communications line item in subdivision 2 of section 1 of chapter 50 of the 2015 Session Laws which are unexpended as of June 30, 2017, are not subject to section 54-44.1-11. Any unexpended funds are available for completing these projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

Approved April 20, 2017

Filed April 21, 2017

CHAPTER 16

HOUSE BILL NO. 1017

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$29,670,242	\$184,632	\$29,854,874
Operating expenses	13,668,944	1,669,186	15,338,130
Capital assets	5,497,996	832,960	6,330,956
Grants - Game and fish	7,334,412	2,315,772	9,650,184
Land habitat and deer depredation	16,922,681	901,496	17,824,177
Noxious weed control	700,000	25,000	725,000
Missouri River enforcement	282,540	1,317	283,857
Grant - Gift - Donation	827,519	(25,318)	802,201
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,823,005	(24,886)	1,798,119
Wildlife services	<u>384,400</u>	<u>115,600</u>	<u>500,000</u>
Total special funds	\$77,231,739	\$5,995,759	\$83,227,498
Full-time equivalent positions	163.00	0.00	163.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$420,749 of other funds, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. GRANTS, GIFTS, AND DONATIONS LINE ITEM. The grants, gifts, and donations line item in section 1 of this Act includes up to \$400,000 received by the game and fish department for surface damage, easements, or reclamation on department owned or managed properties as a result of mineral exploration and extraction activities.

Approved April 14, 2017

Filed April 17, 2017

CHAPTER 17

HOUSE BILL NO. 1018

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state historical society; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,604,636	(\$8,744)	\$13,595,892
Operating expenses	3,986,308	(100,414)	3,885,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u>0</u>
Total all funds	\$20,554,692	(\$725,253)	\$19,829,439
Less estimated income	<u>3,299,901</u>	<u>(144,106)</u>	<u>3,155,795</u>
Total general fund	\$17,254,791	(\$581,147)	\$16,673,644
Full-time equivalent positions	78.00	(3.00)	75.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$193,789, of which \$177,213 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Technology costs	\$53,969	\$0
Fort Totten and Stutsman repairs	1,025,000	0
Electronic records project	0	0
Dakota the dinosaur	1,400,000	0
Historic sites exhibits	251,000	0
Promotion fund for exhibits	93,000	0
Whitestone hill native memorial	75,000	0
Double ditch	<u>3,500,000</u>	<u>0</u>
Total all funds	\$6,397,969	\$0
Less estimated income	<u>3,475,000</u>	<u>0</u>
Total general fund	\$2,922,969	\$0

SECTION 4. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. APPROPRIATION - STATE DISASTER RELIEF FUND - DOUBLE DITCH HISTORIC SITE REPAIRS. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, and from other funds received from a grant from the parks and recreation department, the sum of \$500,000, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying the expenses of double ditch historic site repairs, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the purposes of calculating the unobligated balance of the state disaster relief fund under section 57-51.1-07.5, the moneys appropriated in this section from the state disaster relief fund may not be considered an obligation of the state disaster relief fund until after July 31, 2017. The funding appropriated in this section is considered one-time funding.

SECTION 7. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS. The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 18

HOUSE BILL NO. 1019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to amend and reenact sections 55-08-06 and 55-08-07.1 of the North Dakota Century Code, relating to permits for motor vehicles and parks and the recreation concession revolving fund; to provide a grant to the international peace garden; to authorize the transfer of Dakota institute inventory; to provide exemptions; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department, for providing funding to the Lewis and Clark interpretive center, and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$3,043,722	\$625,006	\$3,668,728
Park operations and maintenance	19,877,931	692,627	20,570,558
Recreation	6,407,120	632,434	7,039,554
Total all funds	\$29,328,773	\$1,950,067	\$31,278,840
Less estimated income	14,517,835	3,871,726	18,389,561
Total general fund	\$14,810,938	(\$1,921,659)	\$12,889,279
Full-time equivalent positions	66.00	(3.50)	62.50

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International peace garden	\$973,699	(\$97,370)	\$876,329
Total general fund	\$973,699	(\$97,370)	\$876,329

Subdivision 3.

LEWIS AND CLARK INTERPRETIVE CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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Lewis and Clark interpretive center	<u>\$918,279</u>	<u>\$332,408</u>	<u>\$1,250,687</u>
Total all funds	\$918,279	\$332,408	\$1,250,687
Less estimated income	0	<u>362,019</u>	<u>362,019</u>
Total general fund	\$918,279	(\$29,611)	\$888,668

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$16,702,916	(\$2,048,640)	\$14,654,276
Grand total special funds	<u>14,517,835</u>	<u>4,233,745</u>	<u>18,751,580</u>
Grand total all funds	\$31,220,751	\$2,185,105	\$33,405,856

Funding is adjusted for operating expenses, including inflationary increases at state parks for water, garbage, fuel, electricity, propane, insurance, and for operating costs related to adding new buildings and campground loops at various state parks. In addition, funding of \$100,000 from other funds from the department of transportation is added for expenses at the Lewis and Clark interpretive center.

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$181,775, of which \$6,572 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium.

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Parks enhancements	\$12,751,611	\$0
Parks equipment	550,000	0
Community grant program	500,000	0
International Peace Garden capital project	321,915	0
Trail lease renewals	200,000	0
Statewide comprehensive outdoor recreation plan	90,000	0
Repairs and Lewis and Clark interpretive center	75,000	0
50 th anniversary	9,000	0
Retirement leave payouts	58,000	0
International Peace Garden demolition project	<u>200,000</u>	<u>0</u>
Total all funds	\$14,755,526	\$0
Less estimated income	<u>345,000</u>	<u>0</u>
Total general fund	\$14,410,526	\$0

SECTION 4. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000, or so much of the sum as may be necessary, included in the park operations and maintenance line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. ESTIMATED INCOME - WATER COMMISSION GRANT - EXEMPTION - GRANT TO STATE HISTORICAL SOCIETY AND RECREATION OPPORTUNITIES ON SOVEREIGN LANDS. The estimated income line item in section 1 of this Act includes \$1,000,000 of grant funding received from the state

water commission during the 2015-17 biennium for developing recreation opportunities on sovereign lands in the state. Notwithstanding section 4 of chapter 54 of the 2015 Session Laws, the parks and recreation department shall use this \$1,000,000 to provide:

1. A grant of \$500,000 to the state historical society for defraying the expenses of double ditch historic site repairs for the period beginning with the effective date of this Act, and ending June 30, 2019; and
2. Up to \$500,000 for the purpose of developing recreation opportunities on sovereign lands in the state for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 6. ESTIMATED INCOME - DEPARTMENT OF TRANSPORTATION GRANT. The estimated income line item includes \$100,000 of grant funding from the department of transportation for the purpose of defraying expenses for the Lewis and Clark interpretive center.

SECTION 7. EXEMPTION. Up to \$500,000 of community grants funding from the general fund included in the recreation line item contained in section 34 of chapter 49 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019, for the purposes provided in section 55-08-14.1.

SECTION 8. EXEMPTION. Any funds remaining in the international peace garden line item for repair of the peace tower at the International Peace Garden, in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws, and continued in the 2015-17 biennium pursuant to section 9 of chapter 53 of the 2015 Session Laws, is not subject to section 54-44.1-11 and any unexpended funds are available for completing the project during the biennium beginning July 1, 2017, and ending June 30, 2019. Funding available for use by the International Peace Garden in this section will be subject to the International Peace Garden raising dollar for matching funds from nonstate of North Dakota sources consistent with the 2013 North Dakota legislative language. The parks and recreation department shall review and accept engineering proposals and specifications before committing additional funds to the project and shall assist with bidding and construction of any work associated with this section.

SECTION 9. EXEMPTION - 2015-17 MATCHING FUNDS REQUIREMENT - INTERNATIONAL PEACE GARDEN. Notwithstanding the provisions of section 9 of chapter 53 of the 2015 Session Laws, relating to matching requirements, the International Peace Garden may spend up to \$100,000 of the funds appropriated in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws and continued in the 2015-17 biennium, without raising dollar-for-dollar matching funds before spending the funds, for the purpose of completing the demolition project of the peace towers, for the period beginning with the effective date of this Act and ending June 30, 2017.

SECTION 10. EXEMPTION. Any unexpended funds in the Lewis and Clark interpretive center line item in section 34 of chapter 49 of the 2015 Session Laws, and any unexpended funds of up to \$950,000 of one-time funding for park enhancements included in the natural resources line item in section 34 of chapter 49 of the 2015 Session Laws, designated for the Lewis and Clark interpretive center, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation

may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. EXEMPTION. Any unexpended funds from the outdoor heritage grant are not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. EXEMPTION. Up to \$116,000 of Pembina gorge area funding from the general fund included in the natural resources line item contained in section 1 of chapter 53 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019, for renting property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, designing and implementing a radio communication system for continued monitoring and patrolling of the trail systems, and providing matching funds for grant-funded trail development projects in the Pembina Gorge.

SECTION 13. LEGISLATIVE INTENT - STATE PARK MARINA SWIMMING RULES. It is the intent of the sixty-fifth legislative assembly that the parks and recreation department establish rules for state park marinas to allow an individual currently renting a slip at the marina and the individual's immediate family members to swim in the marina area subject to the individual and each family member signing a release of liability waiver form developed by the department.

SECTION 14. AMENDMENT. Section 55-08-06 of the North Dakota Century Code is amended and reenacted as follows:

55-08-06. Permits for motor vehicles.

Unless authorized by the director, a motor vehicle may not enter or be permitted to enter any state park, state recreational area, or reserve unless the operator of the motor vehicle displays upon request a permit issued as provided in this chapter. Permits must be of a size, form, and character as the director prescribes, and the director shall procure permits for each calendar year which by appropriate language must grant permission to use any state park, state recreational area, or reserve. Permits for each calendar year must be provided and placed on sale on or before November first next preceding and used on or at any time after that date until May first of the year following the calendar year for which issued. Permits in each category must be numbered consecutively for each year of issue. Except for senior citizen discounts, a fee of ~~twenty-five~~thirty-five dollars must be charged for each permit issued, except that permits of appropriate special design may be sold individually at a maximum of ~~five~~seven dollars per permit covering the use of state parks, state recreational areas, or reserves under such conditions as the director may prescribe for a designated period of not more than three days. The director may authorize a discount on the sale of annual permits to any resident of North Dakota who is sixty-five years of age or older and who applies for a discount. The fees collected must be deposited in the state park operating fund in the state treasury, unless authorized by the director as follows:

1. The director may allow other agencies or organizations that have leased state parks, state recreational areas, reserves, or facilities to retain entrance and special permit fees collected by the lessee.

2. The director may exempt all or any part of any state park, state recreational area, or reserve from the requirement of the motor vehicle permit and fee, for any activity or period, when in the director's judgment it is desirable to do so; provided, however, that no further exceptions may be made after state park revenue bonds are issued and while the bonds are outstanding.

SECTION 15. AMENDMENT. Section 55-08-07.1 of the North Dakota Century Code is amended and reenacted as follows:

55-08-07.1. State parks and recreation concession revolving fund.

The director shall maintain a state parks and recreation concession revolving fund to be used for the following:

1. Procurement and maintenance of an inventory of food, nonintoxicating beverages, and other merchandise and supplies of a suitable nature for the operation of concession stands, including payment of costs and travel expenses necessarily incurred to obtain or sell such items.
2. Repair, replacement, construction, and maintenance of concession buildings, facilities, and properties contained therein.

~~The sum of fifty thousand dollars is hereby established in the state parks and recreation concession revolving fund for the purpose provided in this section as a limit on the fund balance after accrued liabilities on June thirtieth of each year. Any surplus in this fund in excess of fifty thousand dollars on June thirtieth of each year must be transferred to the state park operating fund.~~

SECTION 16. NORTHERN PLAINS NATIONAL HERITAGE AREA GRANTS.

The parks and recreation department may apply for northern plains heritage grants during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 17. TRANSFER OF DAKOTA INSTITUTE INVENTORY. The parks and recreation department shall transfer the name Dakota institute and all rights, title, interests, and copyrights and up to eighty percent of any remaining inventory of any Dakota institute publication, book, or other document or production, regardless of format to Bismarck state college. Bismarck state college may transfer any rights, title, interests, copyrights, inventory of any of the Dakota institute's publications, books, or other documents or productions, regardless of format, to the author or producer of the document or production.

SECTION 18. EMERGENCY. The sum of \$1,000,000 for providing a grant to the state historical society, and for developing recreation opportunities on sovereign lands in the state appropriated in the administration line item in section 1 of this Act, and sections 5 and 9 of this Act are declared to be an emergency measure.

Disapproved April 25, 2017

Filed May 11, 2017

CHAPTER 19

HOUSE BILL NO. 1020

(Appropriations Committee)

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the state water commission for the purpose of defraying the expenses of the state water commission, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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
Full-time equivalent positions	97.00	(4.00)	93.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$257,498 of other funds, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION APPROVAL. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund which become available are appropriated, subject to budget section approval, to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related

projects included in the water and atmospheric resources line item in section 1 of this Act. However, this exclusion is only in effect for two years after June 30, 2019. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 5. STATE WATER COMMISSION PROJECT FUNDING DESIGNATIONS - TRANSFERS - BUDGET SECTION APPROVAL.

1. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act from funds available in the resources trust fund and water development trust fund, \$298,875,000 is designated as follows:
 - 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.
2. The funding designated in this section is for the specific purposes identified; however, the state water commission may transfer funding among these items, subject to budget section approval and upon notification to the legislative management's water topics overview committee.

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.

SECTION 9. WESTERN AREA WATER SUPPLY AUTHORITY - BANK OF NORTH DAKOTA LOAN - REPORTS. Notwithstanding section 5 of chapter 500 of the 2011 Session Laws, the Bank of North Dakota shall consolidate the \$40,000,000 loan to the western area water supply authority authorized in section 5 of chapter 20 of the 2013 Session Laws, the \$50,000,000 loan to the western area water supply authority authorized in section 2 of chapter 500 of the 2011 Session Laws, and the \$25,000,000 loan from the general fund to the western area water supply authority authorized in section 3 of chapter 500 of the 2011 Session Laws. The terms and conditions of the consolidation loan must be negotiated by the western area water supply authority and the Bank of North Dakota. 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. The Bank of North Dakota shall report the terms of the consolidation loan upon its completion to the legislative management's water topics overview committee during the 2017-18 interim. The western area water supply authority shall provide its monthly financial statements and industrial sales to the legislative council for the legislative management's water topics overview committee's review during the 2017-18 interim.

SECTION 10. WESTERN AREA WATER SUPPLY AUTHORITY DEBT SERVICE SHORTFALL - BUDGET SECTION APPROVAL. If the western area water supply authority defaults on its payment of the principal or interest on the consolidation loan provided for in section 9 of this Act or the revenue bonds or other financing provided for in section 12 of this Act, the Bank of North Dakota shall notify the legislative

council, and the state water commission shall provide a payment, subject to budget section approval, to the Bank of North Dakota in an amount of the default as certified to the budget section by the Bank of North Dakota.

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.

SECTION 13. STATE ENGINEER - FLOOD HAZARD RISK MANAGEMENT STUDY - ADDITIONAL INCOME - APPROPRIATION. The water and atmospheric resources line item in section 1 of this Act includes \$30,000 of which \$15,000 is from the resources trust fund and \$15,000 of other funds received from Ward County, for the purpose of conducting a flood hazard risk management framework study and demonstration in section 14 of this Act, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state engineer may seek funding from federal, local, and private sector co-funding partnerships. Any fees collected from data users and partners and any other funds from public or private sources, including federal grants and county revenue contributions, are appropriated to the state engineer for the study and for expanding the project to additional counties for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - FLOOD HAZARD RISK MANAGEMENT. During the 2017-18 interim, the legislative management shall study issues related to the state's development of a statewide flood hazard risk

management framework by granting authority to the state engineer to perform a study and proof of concept demonstration to implement statewide flood risk management capabilities for assessing, managing, and reducing property-specific flood risk.

1. In performing the study and proof of concept demonstration, the state engineer may leverage, coordinate, and partner with the North Carolina floodplain mapping program and with Ward County to conduct the study and proof of concept demonstration. The state engineer shall acquire and leverage data necessary to support the study and proof of concept demonstration including:
 - a. Footprints and elevations from current and future light detection and ranging data collections that meet federal emergency management agency risk mapping, assessment, and planning standards;
 - b. First floor elevations and elevation certificates from local planning and zoning offices or light detection and ranging data;
 - c. Parcel, address, and imagery data necessary for individual property flood hazard identification, assessment, and reduction; and
 - d. Any other data the state engineer deems necessary to meet the objectives in creating the database.
2. To complete the pilot project, the state engineer shall:
 - a. Construct and maintain flood hazard and risk data in a spatial, relational database;
 - b. Disseminate flood hazard and risk data through a digital display environment prompted through dynamic querying;
 - c. Coordinate, incentivize, and partner with a least one county to obtain the necessary parcel data and other data needed for this study and serve as the repository for the property flood risk dataset;
 - d. Establish a technical committee consisting of federal, state, local, and private sector stakeholders and providers to the greatest extent possible to allow data sharing, coordination, synergy, and partnering;
 - e. Work with the North Carolina floodplain mapping program to incorporate the property risk dataset into the multistate flood risk information system maintained by North Carolina, augment the dataset with federal emergency management agency digital flood insurance data, and assess any data or other gaps preventing this state's full use of the system;
 - f. Make the data publicly available on the state water commission's website in an easily accessible and useable format;
 - g. Provide technical assistance to data users, including reports and analysis as needed; and
 - h. Work with the federal emergency management agency and the study county to enable the communities and property owners to use the elevation, light detection and ranging, and other data provided on the

website to submit letters of map amendment or revision to the federal emergency management agency.

3. The state engineer shall report to the legislative management as requested by the legislative management. At the conclusion of the study, the state engineer shall provide the following information to the legislative management:
 - a. A description of the engineer's current cooperative technical flood mapping partnership with the federal emergency management agency and any additional authority, staffing, and funding required to create a fully independent and self-sustaining state flood mapping program in lieu of the federal emergency management agency program, including the processing of letters of map change;
 - b. A detailed estimate of overall program costs and flood risk reductions of a self-sustaining state flood mapping program; and
 - c. A county assessment of the private, county, state, and federal data and resources that are currently available as compared to the resources that would be required to fully use North Carolina's flood risk information system for flood risk management, including recommendations for improvement or the statewide expansion of the project established under this study and suggested funding mechanisms and alternatives for data dissemination, which may include a one-state online repository or the provision of data by local planning and zoning offices.

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 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.

SECTION 16. 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. 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 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.

¹⁰ 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.

¹¹ 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.~~

SECTION 19. AMENDMENT. Subsection 1 of section 61-02-78 of the North Dakota Century Code is amended and reenacted as follows:

1. An infrastructure revolving loan fund is established on January 1, 2015, within the resources trust fund to provide loans for water supply, flood protection, or other water development and water management projects. Ten percent of oil extraction moneys deposited in the resources trust fund, not to exceed a total deposit from oil extraction moneys of twenty-six million dollars, are made available on a continuing basis for making loans in accordance with this section. Accounts may be established in the resources trust fund as necessary for its management and administration.

¹⁰ Section 61-02-02 was also amended by section 3 of House Bill No. 1374, chapter 419.

¹¹ Section 61-02-08 was also amended by section 6 of House Bill No. 1374, chapter 419.

SECTION 20. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

61-02-79. Bank of North Dakota - Line of credit.

The Bank of North Dakota shall extend a line of credit not to exceed ~~two hundred seventy-five~~ million dollars at a rate ~~that of one and one-half percent over the three month London interbank offered rate, but~~ may not exceed ~~one and three-quarters~~ three percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for ~~water supply projects in suspense, water supply projects identified in section 19 of chapter 54 of the 2015 session laws, and water supply projects approved before June 30, 2017~~2019, and flood control projects that have approval for funding before June 30, ~~2017~~2019.

¹² **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:

¹² Section 61-03-21.4 was created by section 12 of House Bill No. 1374, chapter 419.

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.

SECTION 24. AMENDMENT. Section 61-40-11 of the North Dakota Century Code is amended and reenacted as follows:

61-40-11. Water rates.

~~The authority shall develop an industrial water depot and lateral retail rate and present the rate to the industrial commission for approval. Any industrial water depot and lateral rate adjustment must have approval of the industrial commission before going into effect. 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.~~ The authority shall develop domestic water rates that must include all costs for operation, maintenance, and operating and capital reserves, and debt repayment of all infrastructure managed or constructed by the authority, with the exception of the costs identified in section 61-40-10 which are paid for by industrial water depot and lateral sales.

SECTION 25. TRANSFER - INFRASTRUCTURE REVOLVING LOAN FUND TO RESOURCES TRUST FUND. On July 1, 2017, the state treasurer shall transfer any oil extraction moneys exceeding \$26,000,000 which have been deposited in the infrastructure revolving loan fund from the infrastructure revolving loan fund to the resources trust fund.

SECTION 26. LEGISLATIVE MANAGEMENT STUDY - OIL AND GAS INDUSTRIAL WATER USE. During the 2017-18 interim, the legislative management shall study industrial water use of the oil and gas industry. The study must include the recapture of water used in fracking, the recycling of water used in fracking, and other oil and gas activities, fracking methods which do not require the use of water, and taxes or fees other states charge for water used in the oil and gas industry.

SECTION 27. STATE WATER COMMISSION - 2019-21 BIENNIUM BUDGET.

The state water commission, in accordance with section 54-44.1-04, shall prepare its 2019-21 biennium budget request and the office of management and budget shall prepare the draft appropriations Act under section 54-44.1-16 for the state water commission for consideration by the sixty-sixth legislative assembly with funding provided separately in a salaries and wages line item, operating expenses line item, capital assets line item, project carryover line item, new projects line item, and any additional line items as determined necessary by the commission or the office of management and budget. The state water commission shall present funding for projects in a manner consistent with the funding designations identified in section 5 of this Act, for the 2019-21 biennium.

SECTION 28. EFFECTIVE DATE - EXPIRATION DATE. Section 15 of this Act becomes effective on August 1, 2017, is effective through July 31, 2019, and after that date is ineffective. Section 16 of this Act becomes effective on August 1, 2019. Sections 17, 18, and 21 of this Act become effective on August 1, 2017.

SECTION 29. CONTINGENT EFFECTIVE DATE. Section 23 of this Act is contingent on certification by the industrial commission to the legislative council that the industrial commission has determined 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, as provided under subsection 2 of section 12 of this Act.

SECTION 30. EMERGENCY. Sections 9, 10, 11, 12, 22, 23, and 29 of this Act are declared to be an emergency measure.

Approved May 2, 2017

Filed May 3, 2017

CHAPTER 20

HOUSE BILL NO. 1021

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Workforce safety and insurance operations	\$61,865,170	\$10,541,489	\$72,406,659
Total special funds	\$61,865,170	\$10,541,489	\$72,406,659
Full-time equivalent positions	260.14	0.00	260.14

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in Section 1 of this Act includes the sum of \$719,707 for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Computer software replacement project	\$6,000,000	\$8,120,097
Litigation costs	1,000,000	0
Extranet enhancement	0	538,500
Internal reporting system	<u>0</u>	<u>275,000</u>
Total other funds	\$7,000,000	\$8,933,597

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Workforce safety and insurance 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.

Approved April 14, 2017

Filed April 17, 2017

CHAPTER 21

HOUSE BILL NO. 1022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the retirement and investment office; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income for the purpose of defraying the expenses of the retirement and investment office, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,340,551	\$85,019	\$4,425,570
Operating expenses	990,874	(128,390)	862,484
Contingencies	<u>82,000</u>	<u>(30,000)</u>	<u>52,000</u>
Total special funds	\$5,413,425	(\$73,371)	\$5,340,054
Full-time equivalent positions	19.00	0.00	19.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$50,436 from special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the state investment board, the retirement and investment office may transfer from their contingencies line item in section 1 of this Act to all other line items. The agency shall notify the office of management and budget of each transfer made pursuant to this section.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 22

HOUSE BILL NO. 1023

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a transfer; to provide for solicitations of bids for the public employee health benefits coverage; to provide for a study; to create and enact sections 54-35-02.9 and 54-35-02.10 and a new subsection to section 54-52-04 of the North Dakota Century Code, relating to the public employee health care coverage committee and the authority of the retirement board; to amend and reenact sections 54-35-02.4 and 54-52.1-08.2 of the North Dakota Century Code, relating to the employee benefits programs committee; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,315,360	\$809	\$6,316,169
Operating expenses	2,753,643	(61,422)	2,692,221
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$9,319,003	(\$60,613)	\$9,258,390
Full-time equivalent positions	34.50	0.00	34.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$95,431 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Public employees retirement system - temporary salaries	\$100,000	\$0
Desktop support services	<u>77,370</u>	<u>0</u>
Total special funds	\$177,370	\$0

SECTION 4. APPROPRIATION LINE ITEM TRANSFERS. The public employees retirement system office may transfer from their contingencies line item in section 1 of this Act to all other line items. The agency shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 5. LEGISLATIVE INTENT - ELECTRONIC DISTRIBUTION OF MATERIALS. It is the intent of the sixty-fifth legislative assembly that the public employees retirement system office create operating efficiencies when feasible by

discontinuing the distribution of paper materials, including newsletters and benefit statements. It is further the intent of the sixty-fifth legislative assembly that the public employees retirement system office develop procedures to electronically distribute materials or provide access to materials through member self-service website applications.

SECTION 6. PUBLIC EMPLOYEE HEALTH INSURANCE PLANS - SOLICITATION OF BIDS AND CONTRACTING.

1. During the 2017-18 interim, in consultation with the public employee health care coverage committee and based on the recommendations of the legislative management, the retirement board shall design requests for proposals and shall solicit bids under section 54-52.1-04 for hospital, medical, and prescription drug benefits coverage for the active employee plan for the 2019-21 biennium. The board's primary bid must be for a self-insurance plan under section 54-52.1-04.2, and in accordance with section 54-52.1-04.2, the solicitation for bids must include a request for proposals for a fully insured plan or hybrid fully insured plan, or both.
2. Notwithstanding contrary provisions of law, in response to bids received under subsection 1, the board shall select the carrier or carriers and shall contract for the plan or plans that best serve the interests of the state and its eligible employees. In considering the interests of the state and its employees, the board's considerations must include consideration of flexibility of plan design, employee out-of-pocket costs, and premium. Except as otherwise provided by the sixty-sixth legislative assembly, the contract entered by the board under this subsection is effective for a term of two years and is subject to renewal and rebidding as provided under chapter 54-52.1.
3. A uniform group insurance program contract for hospital, medical, and prescription drug benefits coverage for active employees in effect for the period July 1, 2017, through June 30, 2019, terminates on June 30, 2019, after which the plan entered under subsection 2 becomes effective. Notwithstanding any law to the contrary, the uniform group insurance program contract for hospital, medical, and prescription drug benefits coverage for active employees entered by the retirement board which becomes effective July 1, 2017, is not subject to renewal for an additional two-year term for the 2019-21 biennium.

SECTION 7. PUBLIC EMPLOYEE HEALTH CARE COVERAGE COMMITTEE STUDY - REPORTS.

1. During the 2017-18 interim, the public employee health care coverage committee shall study, review, and make recommendations regarding the terms of the retirement board's requests for proposals for hospital, medical, and prescription drug benefits coverage for active employees for the 2019-21 biennium as required under section 6 of this Act. In making recommendations, the committee shall consider the interests of the state and its eligible employees, including flexibility of plan design, employee out-of-pocket costs, and premium.
2. Before July 1, 2018, and then again before the end of the interim, the committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management, and the legislative management shall report the findings and

recommendations to the retirement board, the public employees retirement system, and the sixty-sixth legislative assembly.

SECTION 8. AMENDMENT. Section 54-35-02.4 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.4. Employee benefits programs committee - Powers and duties.

1. The employee benefits programs committee shall consider and report on ~~those~~ legislative measures and proposals over which ~~it takes~~ the committee exercises jurisdiction and which affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, ~~and health and retiree health plans of state employees or employees of any political subdivision and the uniform group insurance program.~~ The committee shall make a thorough review of any measure or proposal over which ~~it takes~~ under ~~its~~ the committee exercises jurisdiction, including an actuarial review. The committee shall take jurisdiction over any measure or proposal that authorizes an automatic increase or other change in benefits beyond the ensuing biennium which would not require legislative approval. The committee ~~must~~ shall include in the report of the committee a statement that the proposal would allow future changes without legislative involvement. The committee shall report its findings and recommendations, along with any necessary legislation, to the legislative management and to the legislative assembly.
2. To carry out its responsibilities, the committee, or its designee, may:
 - a. Enter contracts, including retainer agreements, with an actuary or actuarial firm for expert assistance and consultation. Each retirement, insurance, or retiree insurance program shall pay, from its retirement, insurance, or retiree health benefits fund, as appropriate, and without the need for a prior appropriation, the cost of any actuarial report required by the committee which relates to that program.
 - b. Call on personnel from state agencies or political subdivisions to furnish such information and render such assistance as the committee may from time to time request.
 - c. Establish rules for its operation of the committee, including the submission and review of proposals and the establishing of standards for actuarial review.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and may also study measures and proposals referred to ~~it~~ the committee by the legislative assembly or the legislative management.
4. ~~A copy of the committee's report concerning any legislative measure shall, if that measure~~ if a legislative proposal over which the committee exercised jurisdiction is introduced for consideration by a legislative assembly, a copy of the related committee report must be appended to the copy of that measure ~~which is referred to a standing committee.~~
5. A legislative measure affecting a public employees retirement program, ~~public employees health insurance program, or public employee retiree health insurance program~~ or uniform group insurance program may not be introduced in either house unless ~~it~~ the measure is accompanied by a report

from the committee. A majority of the members of the committee, acting through the chairman, has sole authority to determine whether any legislative measure affects a program.

6. ~~Any~~An amendment made during a legislative session to a legislative measure ~~affecting which would affect~~ a public employees retirement program, ~~public employees health insurance program, or public employee retiree health insurance or uniform group insurance~~ program may not be considered by a standing committee unless it is accompanied by a report from the employee benefits programs committee.
7. Any legislation enacted in contravention of this section is invalid and of no force and effect, and any benefits provided under such legislation must be reduced to the level current prior to enactment.
8. As used in this section, the term "uniform group insurance plan" does not include a uniform group insurance plan for hospital, medical, or prescription drug benefits coverage. The scope of the subject matter over which this committee has jurisdiction does not include legislative proposals or measures over which the public employee health care coverage committee has jurisdiction under section 54-35-02.10.

SECTION 9. Section 54-35-02.9 of the North Dakota Century Code is created and enacted as follows:

54-35-02.9. Public employee health care coverage committee - Appointment.

1. During each interim, the public employee health care coverage committee must be appointed as follows:
 - a. Four members of the senate appointed by the majority leader of the senate;
 - b. Two members of the senate appointed by the minority leader of the senate;
 - c. Four members of the house of representatives appointed by the majority leader of the house of representatives;
 - d. Two members of the house of representatives appointed by the minority leader of the house of representatives; and
 - e. No more than four nonvoting members appointed by the governor.
2. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees. However, a committee member appointed by the governor is not entitled to per diem and is entitled to mileage and expenses as provided by law for state officers and employees which is to be paid by the governor or by the employing agency if that member is an employee of the state.
3. The committee shall meet at least quarterly during the interim between regular legislative sessions.

SECTION 10. Section 54-35-02.10 of the North Dakota Century Code is created and enacted as follows:

54-35-02.10. Public employee health care coverage committee - Powers and duties - Standing committees - Legislative management.

1. During the interim between regular legislative sessions, the public employee health care coverage committee shall:
 - a. Receive from the public employees retirement system quarterly reports on the activities of the retirement board and the public employees retirement system relating to the health care coverage, including the status of and any implemented or proposed changes to the health care coverage. The quarterly report must include status reports on contracts and contract negotiations relating to the health care coverage.
 - b. Monitor the health care coverage, which may include receipt of public or aggregate utilization data, wellness initiative reports, and customer satisfaction surveys.
 - c. Investigate the feasibility and desirability of making changes to the health care coverage and related contracts for future bienniums and prepare and recommend legislation to pursue any recommended changes.
 - d. Study the health care coverage contract bidding and renewal process.
 - e. Receive reports regarding the impact of federal law on the health care coverage and the impact federal law may have on any proposed changes to the health care coverage.
 - f. Before each regular legislative session, receive from the public employees retirement system the executive budget proposals relating to the health care coverage for the upcoming biennium.
 - g. Consider and report on legislative proposals sponsored by the executive branch, judicial branch, and legislative management as provided under subsection 2.
 - h. Conduct studies as directed by the legislative assembly or the legislative management.
 - i. Report to the legislative management the committee's findings and recommendations, along with any legislation necessary to implement the committee's recommendations. During the interim, the committee may make multiple reports to the legislative management.
2. During the interim between regular legislative sessions, the committee may solicit draft legislative proposals from the executive branch, judicial branch, and legislative management. A legislative measure affecting the health care coverage may not be submitted by the executive branch, judicial branch, or legislative management for introduction in either house unless the measure is accompanied by a report from the committee. A majority of the members of the committee, acting through the chairman, has sole authority to determine whether a legislative proposal affects the health care coverage.

- a. If the committee determines a legislative proposal affects the health care coverage, either actuarially or otherwise, the committee shall conduct a thorough review of the proposal and shall prepare a report with the committee's recommendation regarding the legislative proposal. The review may include an actuarial report or other report of a third party.
 - b. If a legislative proposal for which the committee conducts a review under this subsection is introduced for consideration by the legislative assembly, a copy of the related committee report must be appended to the copy of that measure referred to a standing committee.
3. To carry out the committee's responsibilities, the committee may:
- a. Through the legislative management, enter a contract with an actuary or actuarial firm or other expert for expert assistance and consultation. The committee shall notify the public employees retirement system of a contract entered under this subsection and, without need for a prior appropriation, the public employees retirement system shall pay the cost of the third-party assistance provided under the contract.
 - b. Direct the public employees retirement system to provide the committee with an actuarial report or other analysis. Without the need for a prior appropriation, the public employees retirement system shall pay the cost of the report or analysis.
 - c. Call on personnel from state agencies or political subdivisions to furnish the information and render the assistance the committee may from time to time request.
 - d. Establish rules for operation of the committee, including the submission and review of legislative proposals and the establishing of standards for actuarial review.
4. During a legislative session, if a standing committee takes action on a legislative measure sponsored by a legislator or recommends an amendment to a legislative measure which would affect the health care coverage, the standing committee shall consider the impact, actuarially or otherwise, of the amendment or measure and may request the public employees retirement system provide an actuarial report or other analysis of the impact of the measure or amendments. If the public employees retirement system provides an analysis or other report under this subsection, the public employees retirement system may pay for the analysis or other report in the same manner as provided under subdivision b of subsection 3.
5. Upon receipt of findings and recommendations of the committee, the legislative management may make recommendations to the retirement board and the public employees retirement system.
6. This section does not require the retirement board or the public employees retirement system to disclose to the committee confidential or exempt information or records. However, upon request of the committee, the retirement board or public employees retirement system shall provide the committee with aggregate information as appropriate.

7. As used in this section, the term "health care coverage" means a uniform group insurance plan for hospital, medical, or prescription drug benefits coverage for an eligible employee which is provided under section 54-52.1-02.

SECTION 11. A new subsection to section 54-52-04 of the North Dakota Century Code is created and enacted as follows:

The board shall establish policies and implement procedures to make and collect payments in the most cost-effective manner, including the use of electronic transfer of funds.

SECTION 12. AMENDMENT. Section 54-52.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-08.2. Uniform group insurance program - Compliance with federal requirements - Group purchasing arrangements.

If the board determines that ~~any~~ a section or the phraseology of ~~any~~ a section of this chapter does not comply with applicable federal statutes or rules, the board shall adopt appropriate terminology with respect to that section to comply with the federal statutes or rules, subject to the approval of the legislative management's employee benefits programs committee. If the board seeks the approval of the employee benefits programs committee under this section, the board shall notify the public employee health care coverage committee. The board may assume responsibility for group purchasing arrangements as provided by federal law. ~~Any~~ A plan ~~modifications~~ modification made by the board under this section ~~are~~ is effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

SECTION 13. EXPIRATION DATE. Section 8, 9, 10, and 12 of this Act are effective through July 31, 2019, and after that date are ineffective.

Approved May 2, 2017

Filed May 3, 2017

CHAPTER 23

HOUSE BILL NO. 1024

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

AN ACT to provide appropriations for defraying the expenses of various state departments and institutions; to provide a contingent appropriation; to amend and reenact section 4 of chapter 552 of the 2015 Session Laws, relating to Bank of North Dakota transfers to the state general fund; to provide for borrowing authority; to provide for transfers; to provide statements of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM. There is appropriated out of any moneys in the strategic investment and improvements fund, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the special fund authority enacted by the sixty-fourth legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning with the effective date of this Act, and ending June 30, 2017, as follows:

Subdivision 1.

STATE TREASURER

Property tax relief credits	<u>\$8,100,000</u>
Total special funds	<u>\$8,100,000</u>

Subdivision 2.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	<u>\$189,000</u>

Subdivision 3.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$250,000</u>
Total special funds	<u>\$250,000</u>

Subdivision 4.

DEPARTMENT OF HUMAN SERVICES

Grants - Medical assistance	<u>\$9,000,000</u>
Total special funds	<u>\$9,000,000</u>

Subdivision 5.

ADJUTANT GENERAL

Disaster costs	<u>\$79,500</u>
Total special funds	<u>\$79,500</u>

Subdivision 6.

STATE HISTORICAL SOCIETY

Litigation expenses	<u>\$50,000</u>
Total special funds	<u>\$50,000</u>

SECTION 1 TOTAL

Grand total special funds	<u>\$17,668,500</u>
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SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	<u>\$200,000</u>

Subdivision 2.

JUDICIAL BRANCH

Pipeline protest trials	<u>\$1,500,000</u>
Total special funds	<u>\$1,500,000</u>

Subdivision 3.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Pipeline protest trials	<u>\$1,027,000</u>
Total special funds	<u>\$1,027,000</u>

Subdivision 4.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	<u>\$1,420,000</u>

Subdivision 5.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	<u>\$3,234,000</u>

Subdivision 6.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	\$500,000

Subdivision 7.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 8.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 9.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$9,213,724
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SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$10,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from the federal government related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline.

SECTION 4. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,872,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing any court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement approved by

order of the court, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota* or pursuant to the terms of a settlement agreement approved by order of the court. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 6. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the legislative assembly that provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

SECTION 8. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that:

1. The department of emergency services and the governor accept reimbursement in the form of land, cash, or other assets from nonstate sources for state costs incurred relating to unlawful activity associated with the construction of the Dakota access pipeline.
2. Any reimbursements received be used to repay the Bank of North Dakota loans authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in section 3 of this Act, which were all obtained to provide the

funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline.

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans.

SECTION 9. AMENDMENT. Section 4 of chapter 552 of the 2015 Session Laws is amended and reenacted as follows:

SECTION 4. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. ~~If, during~~ During the period beginning with the effective date of this Act and ending June 30, 2017, ~~the director of the office of management and budget determines the state general fund will not have a projected positive June 30, 2017, balance,~~ the industrial commission shall transfer \$100,000,000, ~~or so much of the sum as may be necessary,~~ from the earnings and accumulated and undivided profits of the Bank of North Dakota to the state general fund. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. ~~The sum of the amounts transferred may not exceed the lesser of \$100,000,000 or the amount necessary to provide for a positive June 30, 2017, general fund balance.~~

SECTION 10. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 28, 2017

Filed May 1, 2017

CHAPTER 24

HOUSE BILL NO. 1038

(Legislative Management)
(Human Services Committee)

AN ACT to provide an appropriation to the department of human services; to provide for the establishment of a caregiver resource center website; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - LIFESPAN RESPITE CARE PROGRAM. There is appropriated from special funds derived from federal funds and other income, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of administering a lifespan respite care program, including public information about the program, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 2. DEPARTMENT OF HUMAN SERVICES - CAREGIVER RESOURCE CENTER WEBSITE. The department of human services shall establish and promote a caregiver resource center website for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 3. DEPARTMENT OF HUMAN SERVICES - LONG-TERM CARE SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. The department of human services shall review services and related funding provided within its long-term care division for the 2015-17 and 2017-19 bienniums. The department of human services shall report to the legislative management during the 2017-18 interim on the levels of funding provided for and spent on nursing home services and home- and community-based services by program during these time periods and shall provide recommendations on options to increase the number and level of services and funding provided for home- and community-based services for the 2019-21 biennium.

Approved April 11, 2017

Filed April 12, 2017

CHAPTER 25**HOUSE BILL NO. 1419**

(Representatives Mock, D. Anderson, Headland, Johnston)
(Senators Oban, Unruh)

AN ACT to provide an appropriation for a shooting sports grant program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - GAME AND FISH SHOOTING SPORTS GRANT PROGRAM. There is appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the game and fish department for the purpose of establishing and administering a shooting sports grant program, for the biennium beginning July 1, 2017, and ending June 30, 2019. The director of the game and fish department may establish a shooting sports grant program, which may be made available to schools, clubs, and organized youth groups in the state. The funds appropriated under this section may be used to provide grants to promote and facilitate shooting sports in schools, clubs, and organized youth groups in the state.

Approved April 14, 2017

Filed April 17, 2017

CHAPTER 26**SENATE BILL NO. 2001**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications, transfers, and cancellation of unexpended appropriations; 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; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of the legislative branch of state government, for the fiscal period beginning with the effective date of this Act and ending June 30, 2019, as follows:

Subdivision 1.

SIXTY-FIFTH AND SIXTY-SIXTH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,180,442	(\$130,912)	\$9,049,530
Operating expenses	2,837,968	73,640	2,911,608
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

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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

SECTION 3. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Judicial wing meeting rooms	\$160,000	\$0
Information technology equipment	603,050	0
LEGEND maintenance	191,760	0
Council of State Governments conference	<u>160,000</u>	<u>0</u>
Total general fund	\$1,114,810	\$0

SECTION 4. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Office equipment replacement	\$30,000	\$0
Office improvements	50,000	0
Oil and gas tax study	395,000	0
Information technology equipment	<u>135,460</u>	<u>0</u>
Total general fund	\$610,460	\$0

SECTION 5. TRANSFERS. Notwithstanding section 54-16-05, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative management and legislative council as may be requested by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or the director that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and legislative council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the sixty-fifth and sixty-sixth legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 6. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 1 of the 2015 Session Laws. The director of the office of management and budget and the state treasurer shall make transfers of funds between the line items and the agencies of the legislative branch within section 1 of

that chapter as requested by the chairman of the legislative management or the director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2015-17 biennium as directed by the chairman of the legislative management or the director of the legislative council.

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.

SECTION 10. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 1, 2017

Filed May 3, 2017

CHAPTER 27**SENATE BILL NO. 2002**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to provide a transfer; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of the judicial branch for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,059,109	(\$149,997)	\$10,909,112
Operating expenses	2,483,980	247,602	2,731,582
Judges' retirement	79,588	1,176	80,764
Guardianship monitoring program	<u>228,789</u>	<u>87,415</u>	<u>316,204</u>
Total general fund	\$13,851,466	\$186,196	\$14,037,662

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$68,669,330	(\$1,066,702)	\$67,602,628
Operating expenses	19,930,733	950,474	20,881,207
Judges' retirement	343,649	(359)	343,290
University of North Dakota central legal research	<u>80,000</u>	<u>(40,000)</u>	<u>40,000</u>
Total all funds	\$89,023,712	(\$156,587)	\$88,867,125
Less estimated income	<u>1,922,150</u>	<u>(583,012)</u>	<u>1,339,138</u>
Total general fund	\$87,101,562	\$426,425	\$87,527,987

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	\$1,082,762	<u>\$92,060</u>	<u>\$1,174,822</u>
Total all funds	\$1,082,762	\$92,060	\$1,174,822
Less estimated income	<u>444,656</u>	<u>38,045</u>	<u>482,701</u>
Total general fund	\$638,106	\$54,015	\$692,121

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$101,591,134	\$666,636	\$102,257,770
Grand total special funds	<u>2,366,806</u>	<u>(544,967)</u>	<u>1,821,839</u>
Grand total all funds	\$103,957,940	\$121,669	\$104,079,609
Full-time equivalent positions	391.00	(35.50)	355.50

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$950,356 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Information technology equipment	\$623,460	\$0
Disaster recovery project	1,825,000	0
Criminal eFile initiation	99,000	0
Facility space expansion	<u>1,115,070</u>	<u>0</u>
Total general fund	\$3,662,530	\$0

SECTION 4. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfer of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 6. UNIVERSITY OF NORTH DAKOTA CENTRAL LEGAL RESEARCH - MATCHING FUND REQUIREMENT. Subdivision 2 of section 1 of this Act includes \$40,000 from the general fund for university of North Dakota central legal research, which may not be spent until the chief justice of the supreme court certifies to the office of management and budget that \$40,000 in matching funds from nonstate sources have been provided to the university of North Dakota for central legal research.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY. During the 2017-18 interim, the legislative management shall consider studying fees charged by the judicial branch, including fees charged by the clerk of district court under section 27-05.2-03. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

Approved April 13, 2017

Filed April 13, 2017

CHAPTER 28**SENATE BILL NO. 2003**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact two new sections to chapter 15-10 and a new section to chapter 54-12 of the North Dakota Century Code, relating to approval of capital projects requested by institutions under the control of the state board of higher education, the nickel trophy, and tuition and fee waivers for law enforcement officers; and to amend and reenact sections 15-10-48, 15-10-49, 15-18.2-05, 15-18.2-06, 54-10-22.1, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board of higher education, state aid to institutions, the minimum amount payable through the higher education funding formula, protecting donor records from audits of university and college foundations, and the cancellation of unexpended appropriations; to repeal chapter 15-10.2 of the North Dakota Century Code, relating to the midwestern higher education compact; to provide for the transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide exemptions; to provide for the reallocation of oil and gas tax distributions; to authorize the conveyance of real property owned by the state of North Dakota; to provide for studies; to provide for legislative management reports; to provide legislative intent; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board of higher education and to the entities and institutions under the supervision of the board, for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$6,901,461	(\$296,135)	\$6,605,326
Competitive research programs	6,588,225	(560,475)	6,027,750
System governance	7,212,636	1,180,602	8,393,238
Title II	1,006,472	0	1,006,472
Core technology services	41,325,593	20,201,754	61,527,347
Student financial assistance grants	23,886,160	(1,968,854)	21,917,306
Professional student exchange program	3,941,754	(242,412)	3,699,342
Academic and technical education scholarship	13,134,096	(1,117,347)	12,016,749

Two-year campus marketing	747,600	(747,600)	0
Scholars program	2,113,584	(306,469)	1,807,115
Native American scholarship	649,267	(93,944)	555,323
Tribally controlled community college grants	967,250	(367,250)	600,000
Education incentive programs	3,349,000	(485,607)	2,863,393
Student mental health	308,100	(23,700)	284,400
Veterans' assistance grants	325,000	(47,125)	277,875
Commendation grants	4,486	(4,486)	0
Internal audit pool	280,350	(280,350)	0
Shared campus services	0	500,000	500,000
Two-year campus study	0	40,000	40,000
Education challenge grants	0	2,000,000	2,000,000
Total all funds	\$112,741,034	\$17,380,602	\$130,121,636
Less estimated income	<u>2,511,216</u>	<u>23,700,890</u>	<u>26,212,106</u>
Total general fund	\$110,229,818	(\$6,320,288)	\$103,909,530
Full-time equivalent positions	104.39	45.01	149.40

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,214,004	\$67,580,404	\$101,794,408
Capital assets	67,732	1,854,829	1,922,561
Total all funds	\$34,281,736	\$69,435,233	\$103,716,969
Less estimated income	0	72,991,998	72,991,998
Total general fund	\$34,281,736	(\$3,556,765)	\$30,724,971
Full-time equivalent positions	133.53	224.82	358.35

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$14,143,353	\$22,356,652	\$36,500,005
Capital assets	0	362,667	362,667
Total all funds	\$14,143,353	\$22,719,319	\$36,862,672
Less estimated income	0	24,111,092	24,111,092
Total general fund	\$14,143,353	(\$1,391,773)	\$12,751,580
Full-time equivalent positions	50.19	79.42	129.61

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$9,191,151	\$17,797,826	\$26,988,977
Capital assets	197,801	1,064,167	1,261,968
Total all funds	\$9,388,952	\$18,861,993	\$28,250,945
Less estimated income	0	19,855,598	19,855,598
Total general fund	\$9,388,952	(\$993,605)	\$8,395,347
Full-time equivalent positions	49.96	50.79	100.75

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$146,572,961	\$712,782,489	\$859,355,450
Capital assets	<u>4,411,566</u>	<u>91,000,000</u>	<u>95,411,566</u>
Total all funds	\$150,984,527	\$803,782,489	\$954,767,016
Less estimated income	<u>0</u>	<u>819,870,450</u>	<u>819,870,450</u>
Total general fund	\$150,984,527	(\$16,087,961)	\$134,896,566
Full-time equivalent positions	630.20	1,587.87	2,218.07

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$144,323,680	\$588,884,780	\$733,208,460
Capital assets	<u>2,732,244</u>	<u>82,571,860</u>	<u>85,304,104</u>
Total all funds	\$147,055,924	\$671,456,640	\$818,512,564
Less estimated income	<u>0</u>	<u>689,386,329</u>	<u>689,386,329</u>
Total general fund	\$147,055,924	(\$17,929,689)	\$129,126,235
Full-time equivalent positions	537.10	1,358.56	1,895.66

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$40,916,239	\$50,918,458	\$91,834,697
Capital assets	<u>0</u>	<u>1,012,379</u>	<u>1,012,379</u>
Total all funds	\$40,916,239	\$51,930,837	\$92,847,076
Less estimated income	<u>0</u>	<u>57,605,613</u>	<u>57,605,613</u>
Total general fund	\$40,916,239	(\$5,674,776)	\$35,241,463
Full-time equivalent positions	168.30	176.74	345.04

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,527,233	\$22,608,359	\$47,135,592
Capital assets	<u>0</u>	<u>409,078</u>	<u>409,078</u>
One-time operations and debt repayment	<u>0</u>	<u>7,409,626</u>	<u>7,409,626</u>
Total all funds	\$24,527,233	\$30,427,063	\$54,954,296
Less estimated income	<u>0</u>	<u>29,737,827</u>	<u>29,737,827</u>
Total general fund	\$24,527,233	\$689,236	\$25,216,469
Full-time equivalent positions	120.26	48.64	168.90

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$15,642,731	\$28,611,943	\$44,254,674
Capital assets	0	358,992	358,992
Total all funds	\$15,642,731	\$28,970,935	\$44,613,666
Less estimated income	0	30,307,148	30,307,148
Total general fund	\$15,642,731	(\$1,336,213)	\$14,306,518
Full-time equivalent positions	66.23	144.30	210.53

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$45,037,266	\$55,838,786	\$100,876,052
Capital assets	499,620	600,000	1,099,620
Total all funds	\$45,536,886	\$56,438,786	\$101,975,672
Less estimated income	0	62,058,916	62,058,916
Total general fund	\$45,536,886	(\$5,620,130)	\$39,916,756
Full-time equivalent positions	204.10	237.55	441.65

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$23,218,126	\$25,312,806	\$48,530,932
Capital assets	0	455,823	455,823
Total all funds	\$23,218,126	\$25,768,629	\$48,986,755
Less estimated income	0	28,470,657	28,470,657
Total general fund	\$23,218,126	(\$2,702,028)	\$20,516,098
Full-time equivalent positions	105.59	97.16	202.75

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$8,017,920	\$9,179,785	\$17,197,705
Capital assets	86,537	27,470	114,007
Total all funds	\$8,104,457	\$9,207,255	\$17,311,712
Less estimated income	0	9,629,173	9,629,173
Total general fund	\$8,104,457	(\$421,918)	\$7,682,539
Full-time equivalent positions	46.96	37.34	84.30

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH
SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$53,166,247	\$158,723,654	\$211,889,901
Total all funds	\$53,166,247	\$158,723,654	\$211,889,901

Less estimated income	0	154,078,620	154,078,620
Total general fund	\$53,166,247	\$4,645,034	\$57,811,281
Full-time equivalent positions	184.58	251.17	435.75

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	\$6,228,620	\$8,729,827	\$14,958,447
Capital assets	101,210	17,518	118,728
Total all funds	\$6,329,830	\$8,747,345	\$15,077,175
Less estimated income	1,650,000	9,000,748	10,650,748
Total general fund	\$4,679,830	(\$253,403)	\$4,426,427
Full-time equivalent positions	28.96	(1.96)	27.00

Subdivision 15.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$681,876,059	(\$56,954,279)	\$624,921,780
Grand total special funds	4,161,216	2,030,805,059	2,034,966,275
Grand total all funds	\$686,037,275	\$1,973,850,780	\$2,659,888,055

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$17,991,140, of which \$5,638,788 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in section 1 of this Act:

One-Time Funding Description	2015-17	2017-19
Capital projects - general funds	\$99,167,288	\$0
Capital projects - other funds	44,848,194	168,505,000
Campus security pool	2,763,562	0
Core technology services projects	2,821,500	0
Open education resource training	107,250	0
Theodore Roosevelt center	800,000	0
Williston state college energy development impact	2,500,000	0
Dickinson state university leadership transition	2,000,000	0
Museum of art deferred maintenance	760,000	0
Deferred maintenance pool	8,482,500	0
School of medicine and health sciences residency positions	4,700,000	0
Health care workforce initiative	13,814,806	0
Desktop support services	81,750	0
Email retention	350,000	0
Dickinson state university Woods Hall renovation	11,500,000	0
Education challenge grants	22,124,500	2,000,000
Institution operations distributions	0	2,000,000

Dickinson state university operations and debt repayment	0	7,409,626
Two-year campus study	0	40,000
Midwestern higher education compact dues	0	230,000
Total all funds	\$216,821,350	\$180,184,626
Total other funds	60,848,194	168,505,000
Total general fund	\$155,973,156	\$11,679,626

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

SECTION 4. AMENDMENT. Section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

15-10-48. Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 15-10-51.
- c. The board may award up to ~~seven million~~two hundred thousand dollars in matching grants to each institution. ~~The first two million dollars in matching grants awarded to each institution must be used for student scholarships that comply with section 15-10-53.~~
- d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.
2. a. If any available dollars have not been awarded by the board before January 1, ~~2017~~first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.

- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 5. AMENDMENT. Section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

15-10-49. Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

1. a. ~~During the period beginning July 1, 2015, and ending December 31, 2016~~Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 15-10-51.
- c. The board may award up to ~~one million~~two hundred thousand dollars in matching grants to each institution.
2. a. If any available dollars have not been awarded by the board before January 1, ~~2017~~first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
3. a. ~~The board may award an additional five hundred thousand dollars in matching grants to institutions that have been awarded one million dollars in matching grants under subsection 1 and apply for an additional matching grant.~~

- ~~b. An application submitted under this subsection must meet the same criteria as an original application.~~
 - ~~c. The board shall consider each application submitted under this subsection in chronological order.~~
 - ~~d. If the funding provided under this subsection is insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.~~
4. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 6. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Capital project and capital lease requests - Maintenance reserve account.

1. Notwithstanding any existing agreements, an institution under the control of the state board of higher education shall obtain approval from the legislative assembly before the institution acquires any additional facility space to be used by the institution for any purpose, if the acquisition would result in additional operating costs funded from any source. This subsection does not apply to operating lease agreements that preclude the ownership of the leased facility.
2. Notwithstanding any existing agreements, an institution under the control of the state board of higher education shall obtain approval from the legislative assembly before an institution purchases, rents, occupies, or otherwise utilizes a building or any portion of a building for a purpose that directly or indirectly supports or relates to the institution's educational or administrative functions if the building is located more than ten miles from the campus of the institution. This subsection does not apply to buildings utilized by an institution to offer dual-credit courses, buildings utilized by the agricultural experiment station and research extension centers, and buildings utilized by the North Dakota state university extension service. For purposes of this section, "campus" means the campus of the institution under the Federal Clery Act [Pub. L. 105-244; 20 U.S.C. 1092(f)].
3. An institution under the control of the state board of higher education may undertake a facility renovation project only if the project will reduce the deferred maintenance amount of the facility by no less than seventy five percent of the total cost of the renovation. The institution shall maintain documentation that demonstrates the cost and scope of the deferred maintenance reduction that results directly from the renovation. This subsection does not apply to projects undertaken solely to correct building code deficiencies or to installations of infrastructure determined by the board to be essential to the mission of the institution.
4. Facility construction and renovation projects undertaken by an institution under the control of the state board of higher education must conform to campus master plan and space utilization requirements approved by the state board of higher education.

5. An institution that obtains legislative approval under subsection 1 must establish a maintenance reserve fund of three percent of the total construction cost or replacement value, whichever is greater, of the acquired space. The institution's plans for funding the maintenance reserve fund must be included in the request for legislative approval under subsection 1. Maintenance reserve funds must be deposited in an account under the control of the state board of higher education before the acquired space may be occupied, and the funds may be used for maintenance repairs after the total deferred maintenance of the space exceeds thirty percent of its replacement value. The funds may not be used for any other purpose. This subsection does not apply to additional space acquired through the sale of revenue bonds that require by covenant the establishment of maintenance reserve funds.

SECTION 7. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Nickel trophy.

To promote national recognition and statewide enthusiasm, the legislative assembly encourages the university of North Dakota and the North Dakota state university of agriculture and applied science to play for the nickel trophy during the course of a national collegiate athletic association football game. If the athletic director or president of either institution elects not to play for the nickel trophy, the nickel trophy must be permanently displayed in the heritage center.

SECTION 8. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-05. Base funding - Determination of state aid.

1. Except as provided under subsection 2, in order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-04 by a base amount of:
 1. ~~\$72.63~~\$58.65 in the case of North Dakota state university and the university of North Dakota;
 2. ~~\$107.33~~\$86.95 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
 3. ~~\$114.88~~\$93.03 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.
2. An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 11 of this Act.

SECTION 9. AMENDMENT. Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-06. (Effective through June 30, 20172019) Base funding - Minimum amount payable.

Notwithstanding any calculations required by this chapter, during each fiscal year, beginning with 2014-15biennium, an institution may not receive less than ninety-six

percent of the state aid to which the institution was entitled under this chapter during the previous fiscal-yearbiennium.

SECTION 10. AMENDMENT. Section 54-10-22.1 of the North Dakota Century Code is amended and reenacted as follows:

54-10-22.1. State auditor's access to information relating to operations of governmental entities subject to audit.

Notwithstanding any other specific sections of law, the state auditor and persons employed by the state auditor, when necessary in conducting an audit, shall have access to all information relating to operations of all governmental units or component units subject to audit except active investigatory work product of the attorney general as defined in section 44-04-19.1 and financial records and estate planning records a donor provides to a nonprofit organization affiliated with an institution under the control of the state board of higher education which provides support to and is organized and operated for the benefit of the institution. Except for active investigatory work product of the attorney general as defined in section 44-04-19.1 and tax records as described in section 54-10-24, the state auditor may inspect any state agency's books, papers, accounts, or records that may be relevant to an ongoing audit of any other state agency or computer system audit. The state auditor and persons employed by the state auditor examining any information, which is confidential by law, shall guard the secrecy of such information except when otherwise directed by judicial order or as is otherwise provided by law.

SECTION 11. A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

Law enforcement officer tuition and fees waiver.

1. To the extent the annual cap under this section has not been met, an individual who is employed as a full-time law enforcement officer in this state, who has a minimum of two years of employment, and who is licensed under chapter 12-63, is entitled to a waiver of twenty-five percent of resident tuition and fees of any institution of higher education under the control of the state board of higher education if the law enforcement officer:
 - a. Maintains satisfactory performance with the officer's law enforcement agency;
 - b. Obtains authorization to participate in the waiver program and a certificate of verification from the law enforcement officer's superior officer which attests to the officer's satisfactory performance;
 - c. Meets all admission requirements of the institution; and
 - d. Pursues studies leading to a degree from an associate degree program or a baccalaureate degree program.
2. The law enforcement officer may receive the waiver for up to five years from the date the law enforcement officer first receives a waiver under this section.
3. The institution of higher education shall waive twenty-five percent of the officer's tuition and fees after subtracting awarded federal financial aid grants and state scholarships and grants for an eligible law enforcement officer during the time the officer is enrolled. To remain eligible for the waiver, the

officer shall comply with all requirements of the institution for continued attendance and award of an associate degree or a baccalaureate degree.

4. The law enforcement officer shall include the certificate of verification when applying for enrollment to the institution of higher education.
5. The total amount of waivers granted each academic year by institutions under the control of the state board of higher education may not exceed five hundred thousand dollars.
6. The attorney general shall adopt the rules necessary to implement this section.

SECTION 12. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. (Effective through July 31, 20172019) Office of management and budget to cancel unexpended appropriations - When they may continue.

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

(Effective after July 31, 20172019) Office of management and budget to cancel unexpended appropriations - When they may continue. The office of

management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

SECTION 13. REPEAL. Chapter 15-10.2 of the North Dakota Century Code is repealed.

SECTION 14. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2017, and ending June 30, 2019. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2017, and ending June 30, 2019, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 15. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2017, and ending June 30, 2019, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the North Dakota university system office for project management oversight of a capital project.

SECTION 16. STUDENT LOAN TRUST FUND - LEGISLATIVE INTENT. Subdivision 1 of section 1 of this Act includes the sum of \$1,504,744, or so much of the sum as may be necessary, from the student loan trust fund of which \$465,307 is for the professional student exchange program, \$500,000 is for grants to tribally

controlled community colleges, and \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2017, and ending June 30, 2019.

Subdivision 13 of section 1 of this Act includes the sum of \$13,806,856, or so much of the sum as may be necessary, from the student loan trust fund for residency positions at the university of North Dakota school of medicine and health sciences, for the biennium beginning July 1, 2017, and ending June 30, 2019. It is the intent of the sixty-fifth legislative assembly that funding for the residency positions becomes part of ongoing base funding in future budget requests of the school.

SECTION 17. STATEWIDE MEMBERSHIP DUES. Subdivision 1 of section 1 of this Act includes the sum of \$294,000 for membership dues for the western interstate commission for higher education. Subdivision 1 of section 1 of this Act includes the sum of \$230,000 of one-time funding for membership dues of the midwestern higher education compact.

SECTION 18. DICKINSON STATE UNIVERSITY - USES OF FUNDS.

1. The one-time operations and debt repayment line item included in subdivision 8 of section 1 of this Act includes the sum of \$7,409,626, or so much of the sum as may be necessary, which must be used by Dickinson state university as follows:
 - a. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds provided under this subdivision may be used only if the funding provided under this subdivision will result in final satisfaction of any debt associated with the facility; and
 - b. \$4,309,626 must be used for the operations of the institution.
2. Dickinson state university shall utilize up to \$2,000,000 of funding from campus reserves for any additional funding needed to maintain the operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019.
3. Dickinson state university may not discontinue any portion of its department of nursing academic program during the biennium beginning July 1, 2017, and ending June 30, 2019.
4. The appropriations identified under this section are considered one-time funding items.

SECTION 19. STATE TREASURER - REALLOCATION OF OIL AND GAS TAX DISTRIBUTIONS. Notwithstanding any other provision of law, during the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall withhold fifty percent of the amounts allocated to the city of Dickinson under subdivision a of subsection 1 of section 57-51-15, up to a maximum of \$2,500,000 of withholdings, and shall deposit the amounts withheld in the state general fund.

Notwithstanding any other provision of law, during the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall withhold fifty percent of the amounts allocated to Stark County under subdivision a of subsection 5 of section 57-51-15, up to a maximum of \$375,000 of withholdings, and shall deposit the amounts withheld in the state general fund.

SECTION 20. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may

transfer appropriation authority from the operations to the capital assets line items within subdivisions 2 through 14 of section 1 of this Act for the biennium beginning July 1, 2017, and ending June 30, 2019. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 21. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.

Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2017, and ending June 30, 2019. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2019-21 biennium budget request.

SECTION 22. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS.

The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2017, and ending June 30, 2019. Based on the recommendation of the commissioner of higher education, a portion of the allocation must be transferred by the state board of higher education to the university of North Dakota school of medicine and health sciences.

SECTION 23. BOND ISSUANCE AUTHORIZATION - PURPOSES.

The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this section and ending June 30, 2019. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

North Dakota state university - New residence hall	\$39,505,000
North Dakota state university - University village replacement	<u>10,000,000</u>
Total special funds	\$49,505,000

SECTION 24. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT.

Except as provided in this section, the amounts appropriated for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available during the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

1. Of the unexpended appropriations available under this section, up to \$750,000 may be used for the operations of the Theodore Roosevelt presidential library. Any remaining funds may be used only for the planning, design, and construction of the Theodore Roosevelt presidential library building and may not be used for operations, exhibits, or replica structures.
2. Any expenditure of funds continued under this section, including funds used to match state funds, must be approved in advance by an employee of the office of commissioner of higher education designated by the state board of higher education.

3. The director of the office of management and budget shall cancel any appropriation authority continued under this section on December 31, 2018, unless Dickinson state university has certified to the director that:
 - a. Construction commenced on the presidential library building prior to December 31, 2018;
 - b. A North Dakota architect was used to design the presidential library building;
 - c. The cost of constructing the building, including planning and design costs, will exceed fourteen million dollars; and
 - d. Except as provided in subsection 1, no state appropriated funds designated for the Theodore Roosevelt presidential library building project nor any funds used to match the state funding are being used for purposes other than for planning, design, and construction costs of the building.

SECTION 25. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS - TRANSFER. The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for the operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 26. EXEMPTION - STUDENT FINANCIAL ASSISTANCE GRANTS. Of the \$25,634,276 appropriated from the general fund in the student financial assistance grants line item in subdivision 1 of section 1 of chapter 3 of the 2015 Session Laws, \$5,000,000 is not subject to section 54-44.1-11 and must be canceled by the office of management and budget on the effective date of this section.

SECTION 27. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION APPROVAL.

1. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2017-18 academic year by more than four percent as compared to the tuition rate in effect during the 2017 spring semester unless the board receives prior budget section approval.
2. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2018-19 academic year by more than four percent as compared to the tuition rate in effect during the 2018 spring semester unless the board receives prior budget section approval.
3. This section does not apply to tuition rates charged for graduate level programs, including programs offered through the university of North Dakota school of medicine and health sciences, the university of North Dakota school of law, or the North Dakota state university school of pharmacy.
4. This section does not apply to tuition rates for nonresident students attending institutions of higher education under the control of the state board of higher

education. For purposes of this section, the residency of students for tuition purposes must be determined under section 15-10-19.1.

5. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.
6. For purposes of this section, an institution must calculate a resident tuition rate increase based on the tuition rate paid by an average full-time resident student. The state board of higher education may exclude adjustments to a tuition rate resulting from a change in an institution's method of charging tuition, including the consolidation of existing fees into tuition rates or charging tuition based on a per-credit rate, from tuition rate calculations under this section.

SECTION 28. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

SECTION 29. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, shall convey certain real property consisting of approximately 0.8 acres parallel and adjacent to the BNSF railway company right-of-way in Cass County, North Dakota, known as parcel number 01-3504-08500-000 in the records of Cass County, North Dakota, to BNSF railway company, if determined appropriate by the state board of higher education and the commissioner of university and school lands. The terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. North Dakota Century Code sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 30. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may convey certain real property known as Dakota hall or airport addition, 1015 north forty-third street, lot h, replat of lot 1 and 2, b 3 block 3 and part northwest quarter of northwest quarter section 6-151-60 in the records of the city of Grand Forks, if determined appropriate by the state board of higher education. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. North Dakota Century Code sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 31. TRANSFER OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may convey certain real property known as Ray Richard's golf course or Ray Richard's golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richard's golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of Grand Forks, if determined appropriate by the state board of higher education. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined by the state board of higher education or a designee of the board. North Dakota Century Code sections 54-01-5.2 and 54-01-05.5 do not apply to the transfer authorized by this section.

SECTION 32. TRANSFER OF DAKOTA INSTITUTE INVENTORY. The parks and recreation department shall transfer the name Dakota institute and all rights, title, interests, and copyrights and up to eighty percent of any remaining inventory of any Dakota institute publication, book, or other document or production, regardless of format, to Bismarck state college. Bismarck state college may transfer any rights, title, interests, copyrights, inventory of any of the Dakota institute's publications, books, or other documents or productions, regardless of format, to the author or producer of the document or production.

SECTION 33. RESEARCH NETWORKS - REPORT TO THE LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2017, and ending June 30, 2019, the state board of higher education, in association with the research institutions under its control, shall consider opportunities for collaboration on high-performance computing, data analytics, and connectivity to Minnesota research networks to improve access, increase capacity, and create efficiencies. The board may utilize appropriations and reserves designated for the northern tier network to accommodate continued use of existing research networks and to expand network capabilities. The board shall consider developing policies and procedures to authorize private entities to utilize the research network. During the 2017-18 interim, the state board of higher education shall provide a report to the legislative management regarding the status of efforts to collaborate with Minnesota entities for research network purposes.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA ENERGY AND ENVIRONMENTAL RESEARCH CENTER RELATIONSHIP WITH THE UNIVERSITY OF NORTH DAKOTA. During the 2017-18 interim, the Legislative Management shall consider studying the relationship between the University of North Dakota and the Energy and Environmental Research Center. The study, if conducted, must include a review of the working relationship between the entities including financial responsibilities and expectations of each entity including potential alternative administrative reporting lines and business models. The Legislative Management shall report its findings and recommendations, including any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 35. STATE BOARD OF HIGHER EDUCATION - STUDY OF THE REORGANIZATION OF TWO-YEAR INSTITUTIONS - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the period beginning July 1, 2017, and ending December 31, 2018, the state board of higher education shall study the reorganization of the two-year institutions under its control into a community and technology college system that addresses workforce and education needs of the state. As part of the study, the board shall consider:

1. Shared administration;
2. Shared courses, including a common course catalog;
3. Articulation agreements linking elementary and secondary education, career academies, and career and technical education to postsecondary certificates and associate's degrees;
4. Centralized processing of student admissions, housing applications, financial aid, and advising; and
5. Centralized services, including bookstore operations, food services, marketing, procurement, accounting, and human resources.

The state board of higher education shall approve and present a plan to implement the recommendations of its study to reorganize two-year institutions, including drafts of legislation necessary to implement the recommendations, to the appropriations committees of the sixty-sixth legislative assembly.

SECTION 36. STATE BOARD OF HIGHER EDUCATION - STUDY OF NURSING PROGRAMS - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the period beginning July 1, 2017, and ending December 31, 2018, the state board of higher education shall study the reorganization of nursing programs at institutions under its control. As part of the study, the board shall review the number of institutions offering nursing programs, the level of programs offered, and the locations of programs. The board shall consider options to develop collaborations among institutions to offer programs in an efficient and effective manner to address the workforce needs of the state.

The state board of higher education shall approve and present a plan to implement the recommendations of its study to reorganize nursing programs, including drafts of legislation necessary to implement the recommendations, to the appropriations committees of the sixty-sixth legislative assembly.

SECTION 37. STATE BOARD OF HIGHER EDUCATION DATA AND REPORTING INCONSISTENCIES - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2017, and ending June 30, 2019, the state board of higher education shall evaluate the following data and reporting inconsistency issues at institutions and entities under its control and develop policies and procedures to correct:

1. Inconsistent employee classifications and human resources reporting;
2. Inconsistent employee leave policies;
3. Inconsistent practices for awarding tuition waivers; and
4. Inconsistent practices regarding the charging of student fees.

The state board of higher education shall provide a report to and consult with the legislative management during the 2017-18 interim regarding the status of the inconsistencies, including policies and procedures being developed to address the inconsistencies.

SECTION 38. REDUCTION IN EMPLOYEES - LEGISLATIVE INTENT - REPORT TO LEGISLATIVE MANAGEMENT. It is the intent of the sixty-fifth legislative assembly that if the number of full-time equivalent positions is reduced at institutions under the control of the state board of higher education, any reduction be applied among all classifications of employees with emphasis on senior administrative positions. During the 2017-18 interim, the state board of higher education shall provide reports to the legislative management regarding the total number of employee positions reduced at each institution, the number of administrative positions reduced at each institution, and whether any former administrative staff employees are still employed by the institution in a different position.

SECTION 39. LEGISLATIVE INTENT - NORTH DAKOTA STATE UNIVERSITY - LEASE ARRANGEMENT AND OTHER SAVINGS. It is the intent of the sixty-fifth legislative assembly that future general fund appropriations in support of the North Dakota state university department of nursing program in Bismarck be adjusted for

savings resulting from facility lease negotiations and for credit-hours completed at the school.

SECTION 40. EFFECTIVE DATE. Section 13 of this Act become effective on June 30, 2017.

SECTION 41. EMERGENCY. Sections 13, 23, 24, 26, 28, and 40 and the capital assets line items in section 1 of this Act are declared to be an emergency measure.

Approved May 2, 2017

Filed May 3, 2017

NOTE: Section 6 of chapter 28, S.L. 2017, pertaining to capital project and capital lease requests was vetoed by the Governor. Chapter 450, S.L. 2017.

In letter opinion 2017-L-04, the Attorney General opined the Governor's veto of subsections 1, 2, and 5 of Section 6 of chapter 28, S.L. 2017 is authorized by law; and the Governor's veto of subsections 3 and 4 of Section 6 of chapter 28, S.L. 2017 is not authorized by the Constitution of North Dakota and is not effective.

A final determination on the validity of the Governor's veto of Section 6 of chapter 28, S.L. 2017 has not been made.

CHAPTER 29

SENATE BILL NO. 2004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 43-28.1-01 and 43-28.1-03 and subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the dentists loan repayment program, criteria to be used in selecting qualified dentists, and the tobacco settlement trust fund; to repeal chapter 23-38 of the North Dakota Century Code, relating to the community health grant program; to authorize transfers; to provide statements of legislative intent; to provide for a report to the legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$62,805,918	\$716,060	\$63,521,978
Operating expenses	40,598,335	(2,784,050)	37,814,285
Capital assets	2,895,232	551,508	3,446,740
Grants	57,096,760	2,787,181	59,883,941
Tobacco prevention	6,910,177	6,736,527	13,646,704
Women, infants, and children food payments	20,200,000	0	20,200,000
Medical marijuana	0	1,560,770	1,560,770
Total all funds	\$190,506,422	\$9,567,996	\$200,074,418
Less estimated income	<u>141,970,854</u>	<u>14,629,104</u>	<u>156,599,958</u>
Total general fund	\$48,535,568	(\$5,061,108)	\$43,474,460
Full-time equivalent positions	365.00	(1.00)	364.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item, tobacco prevention line item, and medical marijuana line item in section 1 of this Act include the sum of \$1,007,440, of which \$525,796 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Environmental equipment	\$780,000	\$0
Forensic examiner digital x-ray equipment	44,000	0

Women, infants, and children system upgrade	1,712,110	1,739,220
Medical marijuana	<u>0</u>	<u>95,066</u>
Total all funds	\$2,536,110	\$1,834,286
Less estimated income	<u>2,200,110</u>	<u>1,834,286</u>
Total general fund	\$336,000	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The state department of health 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.

SECTION 4. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$250,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund, for the biennium beginning July 1, 2017, and ending June 30, 2019. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 5. INSURANCE TAX DISTRIBUTION FUND. The estimated income line item included in section 1 of this Act includes \$1,250,000 from the insurance tax distribution fund for rural emergency medical services grants.

SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item included in section 1 of this Act includes \$500,000 from the strategic investment and improvements fund for legal fees related to an environmental protection agency lawsuit.

SECTION 7. STUDENT LOAN TRUST FUND. The estimated income line item in section 1 of this Act includes \$360,000 from the student loan trust fund for dental loan repayment program grants.

SECTION 8. TOBACCO PREVENTION AND CONTROL TRUST FUND. The estimated income line item in section 1 of this Act includes \$12,878,195 from the tobacco prevention and control trust fund for tobacco prevention and related health programs.

SECTION 9. STATEMENT OF LEGISLATIVE INTENT - MEDICAL MARIJUANA. It is the intent of the sixty-fifth legislative assembly that chapter 19-24.1 of the North Dakota Century Code, as created in Senate Bill No. 2344, be treated as an amendment to initiated measure No. 5 as adopted at the general election in 2016, and therefore an amendment to or repeal of chapter 19-24.1 before December 8, 2023, is subject to the requirements of section 8 of article III of the Constitution of North Dakota.

SECTION 10. STATEMENT OF LEGISLATIVE INTENT - NEWBORN SCREENING - CARDIAC SYSTEM OF CARE TASK FORCE. It is the intent of the sixty-fifth legislative assembly that the state department of health's newborn screening program collaborate with the cardiac system of care task force to identify and provide critical congenital heart defect educational materials and algorithms for health care facilities and resources for parents and to explore options for data collection and analysis for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. AMENDMENT. Section 43-28.1-01 of the North Dakota Century Code is amended and reenacted as follows:

43-28.1-01. Loan repayment program - Dentists - Defined need - Maximum amount of funds.

~~Each year~~Annually, the state health council shall select, from a pool of applicants, dentists who ~~shall~~will provide dental services in cities or surrounding areas, or both, in this state which the state health council identifies as having a defined need for dental services. The dentists selected from this pool of applicants ~~may include dentists who will~~shall agree to accept medical assistance patients and assignments or provide dental services in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic. ~~The dentists are~~A selected dentist who agrees to the terms of this program is eligible to receive funds for the repayment of ~~their~~the dentist's education loans. The funds, which are payable over a five-year period, may not exceed one hundred thousand dollars per applicant. If the state health council accepts any gifts, grants, or donations under this chapter, the council may select additional dentists for participation in the loan repayment program under this chapter.

SECTION 12. AMENDMENT. Section 43-28.1-03 of the North Dakota Century Code is amended and reenacted as follows:

43-28.1-03. Criteria.

1. The health council shall establish criteria to be used in selecting qualified dentists and in identifying cities or surrounding areas, or both, that have a defined need for dental services. The criteria must include consideration of:
 - a. The number of dentists already providing dental services in the city or surrounding areas, or both;
 - b. Access to dental services in the city and the surrounding areas;
 - c. How the dentist will provide dental services to individuals on medical assistance or in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic; and
 - d. The dentist's training in general dentistry or in a dental specialty and the extent to which such services are needed in the identified city or surrounding areas, or both.
2. As a term of receipt of funds under this chapter, a dentist shall accept medical assistance patients and assignments or provide dental services in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic. For purposes of a dentist selected for loan payment under this chapter who practices within fifteen miles [24.14 kilometers] of the city limits of one of the three largest cities in the state, to qualify to receive a yearly disbursement under this chapter during that year of obligated service, the dentist must have:
 - a. Received dental medical payments of at least twenty thousand dollars in the form of medical assistance reimbursement; or
 - b. Practiced at least two full workdays per week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.
3. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on the criteria.

¹³ **SECTION 13. AMENDMENT.** Subsection 1 of section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:
 - a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund ~~of which a minimum of eighty percent must be used for tobacco prevention and control.~~
 - b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.
 - c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

SECTION 14. REPEAL. Chapter 23-38 of the North Dakota Century Code is repealed.

SECTION 15. COMPREHENSIVE TOBACCO CONTROL ADVISORY COMMITTEE RECORDS TRANSFER. As of July 1, 2017, all business-related records belonging to the comprehensive tobacco control advisory committee must be transferred to the state department of health. The comprehensive tobacco control advisory committee shall allow the state department of health to have access to the business-related records of the committee before July 1, 2017, as necessary, for the purpose of transitioning operations to the state department of health.

SECTION 16. STATEWIDE TOBACCO PREVENTION AND CONTROL PLAN - IMPLEMENTATION - EVALUATION - REPORT TO THE LEGISLATIVE MANAGEMENT. By July 31, 2017, the state department of health shall develop a statewide tobacco prevention and control plan that is consistent with the five components of the centers for disease control and prevention best practices for comprehensive tobacco control programs. At least once during the 2017-19 biennium, the state department of health shall provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its

¹³ Section 54-27-25 was also amended by section 39 of House Bill No. 1012, chapter 11, and section 2 of Senate Bill No. 2024, chapter 193.

implementation. Any costs related to the independent review are provided in the tobacco prevention line item in section 1 of this Act and may be paid from the tobacco prevention and control trust fund. The department shall report the results of the independent review to the legislative management.

SECTION 17. EMERGENCY. The funding included in the medical marijuana line item in section 1 and section 15 of this Act are declared to be an emergency measure.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 30

SENATE BILL NO. 2005

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$874,608	(\$26,201)	\$848,407
Operating expenses	253,132	10,572	263,704
Total general fund	\$1,127,740	(\$15,629)	\$1,112,111
Full-time equivalent positions	5.00	(1.00)	4.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$10,619 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium.

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Information technology hardware	\$9,775	\$0
Total general fund	\$9,775	\$0

Approved April 12, 2017

Filed April 12, 2017

CHAPTER 31

SENATE BILL NO. 2006

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,447,637	(\$16,415)	\$1,431,222
Operating expenses	2,060,380	143,810	2,204,190
Capital assets	300,000	(200,000)	100,000
Grants	<u>7,434,500</u>	<u>(284,500)</u>	<u>7,150,000</u>
Total all funds	\$11,242,517	(\$357,105)	\$10,885,412
Less estimated income	<u>10,308,017</u>	<u>(322,605)</u>	<u>9,985,412</u>
Total general fund	\$934,500	(\$34,500)	\$900,000
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$18,583 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Desktop support	<u>\$14,810</u>	<u>\$0</u>
Total other funds	<u>\$14,810</u>	<u>\$0</u>

Approved April 11, 2017

Filed April 12, 2017

CHAPTER 32

SENATE BILL NO. 2007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the veterans' home; and to provide for exemptions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,973,934	\$710,556	\$18,684,490
Operating expenses	4,958,742	495,497	5,454,239
Capital assets	<u>273,270</u>	<u>280,033</u>	<u>553,303</u>
Total all funds	\$23,205,946	\$1,486,086	\$24,692,032
Less estimated income	<u>15,077,922</u>	<u>3,662,671</u>	<u>18,740,593</u>
Total general fund	\$8,128,024	(\$2,176,585)	\$5,951,439
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$382,267, of which \$130,374 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 one-time funding items included in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Shop addition	\$126,800	\$0
Irrigation system	83,000	0
Equipment	195,530	44,500
Health information exchange software	0	15,000
Nurse call system upgrade	0	<u>82,500</u>
Total all funds	\$405,330	\$142,000
Less estimated income	<u>405,330</u>	<u>142,000</u>
Total general fund	\$0	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The veterans' home 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.

SECTION 4. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING. The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium, the 2013-15 biennium, and the 2015-17 biennium is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may continue into the 2017-19 biennium for paying expenses of the veterans' home construction project.

SECTION 5. EXEMPTION - SHOP ADDITION PROJECT FUNDING. The unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 38 of the 2013 Session Laws which was continued into the 2015-17 biennium under section 54-44.1-11 and the unexpended amount remaining from the appropriation for the veterans' home shop addition project in chapter 7 of the 2015 Session Laws are not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for paying expenses of the veterans' home shop addition project.

Approved April 12, 2017

Filed April 12, 2017

CHAPTER 33

SENATE BILL NO. 2008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of financial institutions; to provide for a study; and to provide for a report to the legislative management.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,737,190	\$76,650	\$6,813,840
Operating expenses	1,575,252	820	1,576,072
Contingency	<u>77,000</u>	<u>(57,000)</u>	<u>20,000</u>
Total special funds	\$8,389,442	\$20,470	\$8,409,912
Full-time equivalent positions	30.00	0.00	30.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$79,639 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Desktop support	<u>\$66,325</u>	<u>\$0</u>
Total other funds	\$66,325	\$0

SECTION 4. OPERATIONS OF DEPARTMENT OF FINANCIAL INSTITUTIONS AND SECURITIES DEPARTMENT - STUDY BY GOVERNOR - REPORT TO LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the governor shall study the operations of the department of financial institutions and the securities department to determine the feasibility and desirability of combining the agencies into a single department. The governor shall report to the legislative management regarding the findings and recommendations of the study by July 1, 2018.

Approved April 12, 2017

Filed April 12, 2017

CHAPTER 34

SENATE BILL NO. 2009

(Appropriations Committee)

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Premiums	\$532,665	(\$17,000)	\$515,665
Total general fund	\$532,665	(\$17,000)	\$515,665

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Asphalt overlay project	\$467,250	\$0
Total general fund	\$467,250	\$0

SECTION 3. A new section to chapter 4-02.1 of the North Dakota Century Code is created and enacted as follows:

Facility operations and maintenance costs.

Facility operations and maintenance costs, other than costs resulting from a natural disaster, are to be funded by state fair association funds.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 35

SENATE BILL NO. 2010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$886,297	\$19,156	\$905,453
Operating expenses	<u>372,224</u>	(16,373)	355,851
Grants	<u>2,117,390</u>	<u>(26,896)</u>	<u>2,090,494</u>
Total all funds	\$3,375,911	(\$24,113)	\$3,351,798
Less estimated income	<u>1,745,467</u>	<u>41,455</u>	<u>1,786,922</u>
Total general fund	\$1,630,444	(\$65,568)	\$1,564,876
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$13,273 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. APPROPRIATION - CULTURAL ENDOWMENT FUND. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2017, and ending June 30, 2019.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 36

SENATE BILL NO. 2011

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to create and enact a new section to chapter 39-03 of the North Dakota Century Code, relating to capitol building access cards; to amend and reenact subdivision j of subsection 3 of section 39-12-02 of the North Dakota Century Code, relating to fees for electronic permits; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	<u>\$3,550,401</u>	(\$3,550,401)	\$0
Field operations	<u>52,348,835</u>	<u>5,239,871</u>	<u>57,588,706</u>
Total all funds	<u>\$55,899,236</u>	<u>\$1,689,470</u>	<u>\$57,588,706</u>
Less estimated income	<u>12,955,491</u>	<u>2,105,787</u>	<u>15,061,278</u>
Total general fund	<u>\$42,943,745</u>	<u>(\$416,317)</u>	<u>\$42,527,428</u>
Full-time equivalent positions	215.00	(11.00)	204.00

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$533,578, of which \$426,619 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Mobile radio equipment	\$626,000	\$0
Outdoor range upgrade	38,000	0
Skid car training system	66,000	0
New trooper startup costs	33,863	0
Taser and AED equipment	<u>0</u>	<u>358,000</u>
Total all funds	<u>\$763,863</u>	<u>\$358,000</u>
Total special funds	<u>107,050</u>	<u>358,000</u>
Total general fund	<u>\$656,813</u>	<u>\$0</u>

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The highway patrol 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.

SECTION 4. SPECIAL FUNDS TRANSFER - HIGHWAY TAX DISTRIBUTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$6,912,904, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. MOTOR CARRIER ELECTRONIC PERMIT TRANSACTION FUND. The estimated income line item in section 1 of this Act includes \$1,369,165 from the motor carrier electronic permit transaction fund for the purpose of defraying various expenses associated with the issuance of permits and other nonenforcement motor carrier and administrative activities during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$358,000 of one-time funding from the strategic investment and improvements fund for equipment replacement during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2017, and ending June 30, 2019. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at the patrol officers' respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

SECTION 8. A new section to chapter 39-03 of the North Dakota Century Code is created and enacted as follows:

Capitol building access card fund - Continuing appropriation.

There is created in the state treasury a capitol building access card fund. The fund consists of any fees received by the superintendent for the issuance of capitol building access cards. The superintendent shall establish policies regarding the issuance of capitol building access cards and may charge a fee of ten dollars for each access card issued to an individual who is not an employee of the state of North Dakota. All moneys in the fund are appropriated to the highway patrol on a continuing basis for costs associated with the issuance of capitol building access cards and capitol complex security needs.

14 SECTION 9. AMENDMENT. Subdivision j of subsection 3 of section 39-12-02 of the North Dakota Century Code is amended and reenacted as follows:

- j. The highway patrol may establish an online electronic permit system. If the highway patrol establishes an online electronic permit system, the highway patrol shall assess an additional fee of up to fifteen dollar-feedollars for

¹⁴ Section 39-12-02 was also amended by section 1 of House Bill No. 1288, chapter 270, section 1 of House Bill No. 1320, chapter 271, and section 3 of Senate Bill No. 2097, chapter 258.

every permit issued under this section to be deposited into the motor carrier electronic permit transaction fund.

Approved April 19, 2017

Filed April 20, 2017

CHAPTER 37

SENATE BILL NO. 2012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to amend and reenact section 24-02-37 of the North Dakota Century Code, relating to state highway fund expenditures; to provide for a transfer; to provide for disposition of maintenance section sites; to provide exemptions; to provide for studies; and to provide for reports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$207,778,278	(\$6,299,937)	\$201,478,341
Operating expenses	295,762,751	(66,381,105)	229,381,646
Capital assets	700,081,402	71,020,449	771,101,851
Grants	<u>62,918,030</u>	<u>4,610,000</u>	<u>67,528,030</u>
Total special funds	\$1,266,540,461	\$2,949,407	\$1,269,489,868
Full-time equivalent positions	1,080.50	(33.50)	1,047.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$2,702,395 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
General fund transfers to highway fund	\$486,982,489	\$0
Transfer to public transportation fund	186,900	0
Short line railroad	7,000,000	0
Transportation distributions - non-oil-producing counties	104,664,000	0
Contingent transfer to highway fund	18,690,000	0
Truck harmonization study	56,070	0
Recreational road access	1,869,000	0
Vehicle registration and titling system replacement	2,500,000	0
Motor coach reimbursement	<u>934,500</u>	<u>0</u>
Total all funds	\$622,882,959	\$0
Total special funds	<u>9,500,000</u>	<u>0</u>
Total general fund	\$613,382,959	\$0

SECTION 4. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made pursuant to this section.

SECTION 5. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS. The department of transportation may use up to \$16,300,000 of the funding transferred, pursuant to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund to provide state matching funds for federal highway construction funding provided by the federal highway administration during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING. Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session Laws. Any funds continued into the 2017-19 biennium but not spent by June 30, 2019, must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for enhanced state highway investments.

SECTION 7. EXEMPTION - SPECIAL ROADS FUND PROJECTS. Funding of \$2,000,000 appropriated to the department of transportation for special road projects, as contained in section 1 of chapter 12 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 department of transportation for special road projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. DISPOSITION OF MAINTENANCE SECTION SITES. Notwithstanding any other provision of law, the department of transportation may discontinue operations of department maintenance section sites in New England, Starkweather, Fessenden, Courtenay, Gackle, Litchville, Finley, and Mayville as provided in this section.

1. During the biennium beginning July 1, 2017, and ending June 30, 2019, the department may not dispose of any real property assigned to a section site where operations are being discontinued.
2. The department shall consult with representatives of the political subdivisions in which the section site is located, in the following order: first with the county, second with the city, and third with the township. If requested by any of the political subdivisions, the department shall negotiate a lease agreement with that political subdivision regarding the use of the section site and facilities. The lease agreement must address, at a minimum, the following:
 - a. The political subdivision may use the department's maintenance site and building, road oil tank, and shop equipment contained in the building. The political subdivision must be responsible for all routine maintenance and utility costs.
 - b. If requested by the political subdivision, the department may transfer ownership of an equipped snow plow to the political subdivision. The snow plow must be one that the department intends to dispose of as part of its equipment replacement schedule.

- c. The department may charge a reasonable fee to the political subdivision under the lease.
 - d. The department shall retain the use of salt buildings located on the property, the right to park one vehicle inside the maintenance building during a major winter storm, the use of an electrical outlet to plug in various vehicles for wintertime loading of deicing materials, and the right to use a portion of the site for a salt and sand pile for winter snow and ice control operations.
 - e. If an emergency occurs in or around a section site, and the department is unable to respond, the political subdivision may agree to have an individual available to respond to the emergency. The political subdivision may establish a process that allows emergency response teams to contact the political subdivision to allow it to respond to an emergency occurring within the area currently served by the section site. The response may require the political subdivision to provide snow and ice control on the state highway system for an emergency situation.
3. If the department does not enter a lease agreement for a section site during the biennium beginning July 1, 2017, and ending June 30, 2019, the department may dispose of the section site property in accordance with state law after June 30, 2019.
 4. If the department has an employee whose home residence is located within the vicinity of the maintenance section the department intends to discontinue, the department shall locate one of its snow plows at or near the maintenance section site during a major winter storm event from November 1 through March 31 of each fiscal year.

SECTION 9. AMENDMENT. Section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

24-02-37. State highway fund - Priorities for expenditure - Use of investment income.

The state highway fund, created by law and not otherwise appropriated and allocated, must be applied and used for the purposes named in this section, as follows:

1. Except for investment income as provided in subsection 3, the fund must be applied in the following order of priority:
 - a. The cost of maintaining the state highway system.
 - b. The cost of construction and reconstruction of highways in the amount necessary to match, in whatever proportion may be required, federal aid granted to this state by the United States government for road purposes in North Dakota. Notwithstanding any other provision of law, the department of transportation may repay the United States department of transportation for previous related expenditures from current biennium appropriations to allow the department to reobligate the federal aid to other federal aid projects.
 - c. Any portion of the highway fund not allocated as provided in subdivisions a and b may be expended for the construction of state highways without

federal aid or may be expended in the construction, improvement, or maintenance of such state highways.

2. All funds heretofore appropriated or hereafter appropriated or transferred to the department, whether earmarked or designated for special projects or special purposes or not, must be placed or transferred into a single state highway fund in the office of the state treasurer and any claims for money expended by the department upon warrants prepared and issued by the office of management and budget and signed by the state auditor under this title must be paid out of the state highway fund by the state treasurer; provided, however, that the commissioner shall keep and maintain complete and accurate records showing that all expenditures have been made in accordance with legislative appropriations and authorizations.
3. The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit eighty percent of the income derived from the interest-bearing account in a special interest-bearing account in the state treasury known as the special road fund. The special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the special road committee. A political subdivision or state agency may request funds from the special road fund by applying to the committee on forms designated by the committee. The committee may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. Any moneys in the fund not obligated by the special road committee by June thirtieth of each odd-numbered year must be held for an additional two years after which the funds revert to the state highway fund.

SECTION 10. DEPARTMENT OF TRANSPORTATION STUDY - SNOW AND ICE CONTROL SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the department of transportation shall study the manner in which it provides snow and ice control services on the state highway system, including the existing costs for these services and any potential savings available in providing these services. Based on its findings, the department shall determine the most efficient and effective manner in which to provide snow and ice control services. The department shall provide a report to the legislative management before July 1, 2018, regarding the results of the study.

SECTION 11. DEPARTMENT OF TRANSPORTATION STUDY - CONSOLIDATION OF SERVICES - REPORT TO LEGISLATIVE MANAGEMENT - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the 2017-18 interim, the department of transportation shall study options to consolidate transportation facilities within Williams County and the Williston district headquarters. The department shall provide the final report, including the results of the study, to the legislative management before July 1, 2018. If the results of the study determine that it is beneficial to consolidate facilities, the department may proceed with consolidation efforts. Before the completion of the study and the determination of whether the consolidation of facilities is beneficial, the department may not construct any new buildings at the Williston district headquarters. The department shall provide reports to the appropriations committees of the sixty-sixth legislative assembly regarding the study and the outcomes of the study.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING. During the 2017-18 interim, the legislative management shall consider

studying the funding mechanisms and options available to the department of transportation, political subdivisions, and public transportation providers, for road construction, maintenance, other transportation infrastructure needs, and transit services. 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 13. DEPARTMENT OF TRANSPORTATION FEES - REPORT TO BUDGET SECTION. The department of transportation shall report to the legislative management's budget section by September 30, 2017, and by September 30, 2018, regarding all fees charged by the department in comparison to the actual cost of providing the services for which the fee is charged.

SECTION 14. TELECOMMUNICATIONS INFRASTRUCTURE ON HIGHWAY RIGHTS OF WAY - LIMITATION - DEPARTMENT OF TRANSPORTATION AND INFORMATION TECHNOLOGY DEPARTMENT STUDY - REPORT. Prior to the department of transportation permitting any nonstate owned, controlled, or leased wireless telecommunication infrastructure used for wireless transmission of voice, data, images, or other signals or information within state highway rights of way, the department of transportation and the information technology department shall study, during the 2017-18 interim, the benefits of allowing wireless telecommunication infrastructure within state highway rights of way and what, if any, requirements of allowing the installation may be in the public interest. The department of transportation and the information technology department shall report the results of the study to the legislative management by June 30, 2018.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 38

SENATE BILL NO. 2013

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide an appropriation to the state treasurer; to provide for transfers; to provide for distributions from permanent funds; to create and enact a new section to chapter 57-51 of the North Dakota Century Code, relating to the energy impact fund; to amend and reenact subsection 5 of section 57-51-01 and sections 57-51-15 and 57-51.1-07.6 of the North Dakota Century Code, relating to oil and gas gross production tax definitions and allocations and the political subdivision allocation fund; to repeal section 57-51.1-07.6 of the North Dakota Century Code, relating to the political subdivision allocation fund; to provide exemptions; to provide for reports; to provide statements of legislative intent; to provide for a legislative management study; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund, the strategic investment and improvements fund, the energy impact fund, and the oil and gas impact grant fund in the state treasury, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,123,516	(\$117,966)	\$6,005,550
Operating expenses	2,019,637	(243,914)	1,775,723
Capital assets	0	3,600,000	3,600,000
Grants	99,300,000	(59,300,000)	40,000,000
Contingencies	100,000	0	100,000
Energy infrastructure and impact office	<u>700,000</u>	<u>(700,000)</u>	<u>0</u>
Total special funds	\$108,243,153	(\$56,761,880)	\$51,481,273
Full-time equivalent positions	33.00	(2.00)	31.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes \$84,948 from special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Oil and gas impact grants - airports	\$0	\$25,000,000
Other grants - airports	0	15,000,000

Information technology project	0	<u>3,600,000</u>
Total special funds	\$0	\$43,600,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The commissioner of university and school lands 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.

SECTION 4. APPROPRIATION - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, and out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the biennium beginning July 1, 2017, and ending June 30, 2019. In August 2017, the state treasurer shall distribute \$16,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of \$10,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For purposes of this subsection, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2015, and ending August 31, 2016. For the purposes of calculating the unobligated balance of the state disaster relief fund under section 57-51.1-07.5, the moneys appropriated in this section from the state disaster relief fund may not be considered an obligation of the state disaster relief fund until after July 31, 2017. The funding appropriated in this section is considered a one-time funding item.

SECTION 5. TRANSFER - POLITICAL SUBDIVISION ALLOCATION FUND TO ENERGY IMPACT FUND. The state treasurer shall transfer \$8,000,000 from the political subdivision allocation fund to the energy impact fund during August 2017.

SECTION 6. TRANSFER - POLITICAL SUBDIVISION ALLOCATION FUND TO STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. After the transfer in section 5 of this Act, the state treasurer shall transfer any amount remaining in the political subdivision allocation fund from the political subdivision allocation fund to the strategic investment and improvements fund during August 2017.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO ENERGY IMPACT FUND. The state treasurer shall transfer \$3,000,000 from the strategic investment and improvements fund to the energy impact fund during August 2017.

SECTION 8. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall

distribute during the biennium beginning July 1, 2017, and ending June 30, 2019, the following amounts, from the permanent funds managed for the benefit of the following entities:

Commons schools	\$288,264,000
North Dakota state university	4,738,000
University of North Dakota	3,662,000
Youth correctional center	1,422,000
School for the deaf	1,598,000
North Dakota state college of science	1,446,286
State hospital	1,370,286
Veterans' home	622,286
Valley City state university	808,000
North Dakota vision services - school for the blind	840,286
Mayville state university	542,000
Dakota college at Bottineau	186,286
Dickinson state university	186,286
Minot state university	<u>186,286</u>
Total	\$305,872,002

SECTION 9. ONE-TIME ADJUSTMENT TO DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota and in addition to the distributions in section 4 of this Act, the board of university and school lands shall distribute during the biennium beginning July 1, 2017, and ending June 30, 2019, the following one-time corrections resulting from the misallocation of prior mineral revenues, from the permanent funds managed for the benefit of the following entities:

North Dakota state college of science	\$89,698
State hospital	89,698
Veterans' home	89,698
North Dakota vision services - school for the blind	89,698
Dakota college at Bottineau	89,698
Dickinson state university	89,698
Minot state university	89,698
Youth correctional center	<u>(621,186)</u>
Total	\$6,700

SECTION 10. EXEMPTION - OIL AND GAS IMPACT GRANT FUND. The amount appropriated from the oil and gas impact grant fund for the energy infrastructure and impact office line item in section 1 of chapter 13 of the 2015 Session Laws and for oil and gas impact grants in section 5 of chapter 463 of the 2015 Session Laws is not subject to section 54-44.1-11. Any money deposited in the fund for taxable events occurring through June 30, 2017, and any unexpended funds from the appropriation are available for grants and administrative costs associated with the fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. EXEMPTION - FLOOD-IMPACTED POLITICAL SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS. Up to \$1,325,500 appropriated from the general fund in section 10 of chapter 579 of the 2011 Session Laws for flood-impacted political subdivision infrastructure development grants, which was awarded but not yet reimbursed to the city of Minot for a landfill expansion project, is not subject to section 54-44.1-11, and any unexpended funds are available to reimburse the city of Minot during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. INFORMATION TECHNOLOGY PROJECT - BUDGET SECTION APPROVAL - LEGISLATIVE INTENT - AGENCY EFFICIENCIES. The capital assets line item and the total special funds line item in section 1 of this Act include \$3,600,000 from the state lands maintenance fund for an information technology project. Of the \$3,600,000, \$1,800,000 may be spent only upon approval of the budget section. It is the intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the governor and the commissioner of university and school lands achieve efficiencies and budgetary savings within the department of trust lands through the use of innovative ideas and through alternative solutions relating to information technology.

SECTION 13. OIL AND GAS IMPACT GRANT FUND - AIRPORT GRANTS. The grants line item and the total special funds line item in section 1 of this Act include the sum of \$25,000,000 from the oil and gas impact grant fund for grants to airports, for the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$25,000,000, the board of university and school lands shall award a grant of \$20,000,000 to the Williston airport and a grant of \$5,000,000 to the Dickinson airport. A grant may be awarded to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project. Grants awarded but not yet paid under this section are not subject to section 54-44.1-11.

SECTION 14. ENERGY IMPACT FUND - WILLISTON AIRPORT GRANT. The grants line item and the total special funds line item in section 1 of this Act include the sum of \$15,000,000 from the energy impact fund for a grant to the Williston airport, for the biennium beginning July 1, 2017, and ending June 30, 2019. A grant may be awarded to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project. Grants awarded but not yet paid under this section are not subject to section 54-44.1-11.

SECTION 15. AMENDMENT. Subsection 5 of section 57-51-01 of the North Dakota Century Code is amended and reenacted as follows:

5. ~~"Hub city" means, for the period beginning September 1, 2015, and ending August 31, 2017, a city with a population of twelve thousand five hundred or more, according to the last official decennial federal census, which has more than one percent of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota. "Hub city" means, after August 31, 2017, a city with a population of twelve thousand five hundred or more, according to the last official decennial federal census, which has more than one~~two percent of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota.

SECTION 16. AMENDMENT. Section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

57-51-15. Gross production tax allocation.

The gross production tax must be allocated monthly as follows:

1. ~~First the~~The tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the state treasurer ~~who shall~~. The state treasurer shall allocate the funding in the following order:

- a. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city, which is located in a county that received an allocation under subsection 2, a monthly amount that will provide a total allocation of three hundred seventy-five thousand dollars per fiscal year for each full or partial percentage point of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city, which is located in a county that received an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of three hundred seventy-five thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota;. For purposes of the allocations under this subdivision during the period beginning September 1, 2017, and ending August 31, 2018, the state treasurer shall use the following employment percentages:
- (1) Thirty-three percent for the city of Williston;
 - (2) Seventeen percent for the city of Dickinson; and
 - (3) Four percent for the city of Minot.
- b. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city, which is located in a county that did not receive an allocation under subsection 2, a monthly amount that will provide a total allocation of two hundred fifty thousand dollars per fiscal year for each full or partial percentage point of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city, which is located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of two hundred fifty thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota;.
- c. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city school district, which is located in a county that received an allocation under subsection 2, a monthly amount that will provide a total allocation of one hundred twenty-five thousand dollars per fiscal year for each full or partial percentage point of the hub city's private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city school district, which is located in a county that received an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one hundred twenty-five thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of the hub city's private covered employment engaged in the

mining industry, according to annual data compiled by job service North Dakota, ~~provided that hub, Hub~~ city school districts, which are located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, must be excluded from the allocations under this subdivision; For purposes of the allocations under this subdivision during the period beginning September 1, 2017, and ending August 31, 2018, the state treasurer shall use the following employment percentages:

- (1) Thirty-three percent for the city of Williston;
 - (2) Seventeen percent for the city of Dickinson; and
 - (3) Four percent for the city of Minot.
- d. ~~Allocate to~~To each county that received more than five million dollars but less than thirty million dollars of total allocations under subsection 2 in ~~state~~the most recently completed even-numbered fiscal year 2014, the state treasurer shall allocate a monthly amount that will ~~provide a total allocation of one million five hundred thousand dollars per fiscal year to be added by the state treasurer~~be added to the allocations to school districts under subdivision b of subsection 5;
- e. ~~Credit revenues to the oil and gas impact grant fund, but not in an amount exceeding one hundred forty million dollars per biennium for the 2015-17 biennium, and not in an amount exceeding one hundred million dollars per biennium thereafter;~~
- f. ~~Credit eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding twenty million dollars in a state fiscal year and not in an amount exceeding forty million dollars per biennium;~~
- g. ~~Credit four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding seven million five hundred thousand dollars in a state fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars; and~~
- h. ~~Allocate the remaining revenues under subsection 3, as follows:~~
- (1) To each county that received more than five million dollars but not exceeding ten million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million five hundred thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
 - (2) To each county that received more than ten million dollars but not exceeding fifteen million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million two hundred fifty thousand dollars per fiscal

year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.

- (3) To each county that received more than fifteen million dollars but not exceeding twenty million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
 - (4) To each county that received more than twenty million dollars but not exceeding twenty-five million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of seven hundred fifty thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
 - (5) To each county that received more than twenty-five million dollars but not exceeding thirty million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of five hundred thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
- e. (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding ten million dollars per biennium. For purposes of this paragraph, "biennium" means the period beginning September first of each odd-numbered calendar year and ending August thirty-first of the following odd-numbered calendar year.
- (2) After August 31, 2019, the state treasurer shall allocate eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding twenty million dollars per fiscal year.
- f. (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding four million dollars per fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars.
- (2) After August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding seven million five hundred thousand dollars per fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars.

- g. For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate the remaining revenues in the following order:

 - (1) Up to twenty-five million dollars to the oil and gas impact grant fund.
 - (2) Any remaining revenues under subsection 3.
 - h. After August 31, 2019, the state treasurer shall allocate the remaining revenues in the following order:

 - (1) Up to five million dollars per biennium to the oil and gas impact grant fund. For purposes of this paragraph, "biennium" means the period beginning September first of each odd-numbered calendar year and ending August thirty-first of the following odd-numbered calendar year.
 - (2) Any remaining revenues under subsection 3.
 - i. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
2. a. During the period beginning September 1, 2017, and ending August 31, 2019, for counties that received less than five million dollars of total allocations under this subsection in the most recently completed even-numbered fiscal year, then after deduction of the amount provided in subsection 1, the state treasurer shall allocate revenue collected under this chapter from oil and gas produced in each county as follows:
- (1) The first five million dollars of collections received each fiscal year is allocated to the county.
 - (2) The remaining revenue collections received each fiscal year are allocated thirty percent to the county and seventy percent to the state for allocations under subsection 3.
- b. During the period beginning September 1, 2017, and ending August 31, 2019, for counties that received five million dollars or more of total allocations under this subsection in the most recently completed even-numbered fiscal year, then after deduction of the amount provided in subsection 1, the state treasurer shall allocate revenue collected under this chapter from oil and gas produced in each county as follows:
- (1) The first five million dollars of collections received each fiscal year is allocated to the county. From the first five million dollars allocated to the county, the state treasurer shall allocate an amount from each county to the energy impact fund to provide a total allocation of two million per fiscal year to the fund. The amount allocated from each county to the energy impact fund under this paragraph must be proportional to the county's monthly oil and gas gross production tax revenue collected relative to the total monthly oil and gas gross production tax revenue collected from all the counties under this subdivision. The state treasurer shall allocate the amount remaining from this paragraph to the county under subsection 5. For the purposes of determining the counties that received five million dollars

or more of total allocations under this subsection in the most recently completed even-numbered fiscal year under this section, any amounts withheld from the county for allocations to the energy impact fund are considered allocations to the county.

- (2) The remaining revenue collections received each fiscal year are allocated thirty percent to the county and seventy percent to the state for allocations under subsection 3.
- c. After deduction of the amount provided in subsection 1, annual revenue collected under this chapter from oil and gas produced in each county must be allocated after August 31, 2019, as follows:
- a. (1) The first five million dollars is allocated to the county.
- b. (2) Of all annual revenue exceeding five million dollars, thirty percent is allocated to the county.
- d. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
3. After the allocations under subsections 1 and 2, the amount remaining is allocated first to provide for deposit of thirty percent of all revenue collected under this chapter in the legacy fund as provided in section 26 of article X of the Constitution of North Dakota and the remainder must be allocated to the state general fund. If the amount available for a monthly allocation under this subsection is insufficient to deposit thirty percent of all revenue collected under this chapter in the legacy fund, the state treasurer shall transfer the amount of the shortfall from the state general fund share of oil extraction tax collections and deposit that amount in the legacy fund.
4. For a county that received less than five million dollars of allocations under subsection 2 in ~~statethe~~ the most recently completed even-numbered fiscal year 2014, revenues allocated to that county must be distributed at least quarterly by the state treasurer as follows:
- a. Forty-five percent must be distributed to the county treasurer and credited to the county general fund. However, the distribution to a county under this subdivision must be credited to the state general fund if in a taxable year after 2012 the county is not levying a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal aid road, and county road purposes.
- b. Thirty-five percent must be distributed to school districts within the county on the average daily attendance distribution basis for kindergarten through grade twelve students residing within the county, as certified to the state treasurer by the county superintendent of schools. However, a hub city school district must be omitted from distributions under this subdivision.
- c. Twenty percent must be distributed to the incorporated cities of the county. A hub city must be omitted from distributions under this subdivision. Distributions among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. In determining the population of any city in which total

employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent.

- d. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
5. For a county that received five million dollars or more of allocations under subsection 2 in ~~state~~the most recently completed even-numbered fiscal year 2014, revenues allocated to that county must be distributed at least quarterly by the state treasurer as follows:
- a. Sixty percent must be distributed to the county treasurer and credited to the county general fund. However, the distribution to a county under this subdivision must be credited to the state general fund if in a taxable year after 2012 the county is not levying a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal aid road, and county road purposes.
 - b. Five percent must be distributed to school districts within the county on the average daily attendance distribution basis for kindergarten through grade twelve students residing within the county, as certified to the state treasurer by the county superintendent of schools. However, a hub city school district must be omitted from distributions under this subdivision.
 - c. Twenty percent must be distributed to the incorporated cities of the county. A hub city must be omitted from distributions under this subdivision. Distributions among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. In determining the population of any city in which total employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent.
 - d. Three percent must be allocated among the organized and unorganized townships of the county. The state treasurer shall allocate the funds available under this subdivision among townships in proportion to each township's road miles relative to the total township road miles in the county. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.
 - e. Three percent must be allocated among the organized and unorganized townships in all the counties that received five million dollars or more of allocations under subsection 2 in the most recently completed ~~state~~even-numbered fiscal year. The amount available under this subdivision must be allocated by the state treasurer in an equal amount to each eligible organized and unorganized township. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.

- f. Nine percent must be distributed among hub cities. Sixty percent of funds available under this subdivision must be distributed to the hub city receiving the highest percentage of allocations to hub cities under subdivision a of subsection 1 for the quarterly period, thirty percent of funds available under this subdivision must be distributed to the hub city receiving the second highest percentage of such allocations, and ten percent of funds available under this subdivision must be distributed to the hub city receiving the third highest percentage of such allocations. Hub cities, which are located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, must be excluded from the allocations under this subsection. If fewer than three hub cities are eligible for the allocations under this subdivision, the state treasurer shall allocate the available funds in proportion to the amounts the eligible hub cities received under subdivision a of subsection 1.
- g. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
6. Within thirty days after the end of each calendar year, the board of county commissioners of each county that has received an allocation under this section shall file a report for the calendar year with the commissioner, in a format prescribed by the commissioner, including:
- The county's statement of revenues and expenditures;
 - The county's ending fund balances;
 - The amounts allocated under this section to the county's general fund, the amounts expended from these allocations, and the purposes of the expenditures; and
 - The amounts allocated under this section to or for the benefit of townships within the county, the amounts expended from these allocations, and the purposes of the expenditures.

Within fifteen days after the time when reports under this subsection are due, the commissioner shall provide the reports to the legislative council compiling the information from reports received under this subsection.

7. Within thirty days after the end of each fiscal year ended June thirtieth, each school district that has received an allocation under this section shall file a report for the fiscal year ended June thirtieth with the commissioner, in a format prescribed by the commissioner, including:
- The school district's statement of revenue and expenditures;
 - The school district's ending fund balances; and
 - The amounts allocated under this section to the school district, the amounts expended from these allocations, and the purposes of the expenditures.

Within fifteen days after the time when reports under this subsection are due,

the commissioner shall provide the reports to the legislative council compiling the information from reports received under this subsection.

SECTION 17. A new section to chapter 57-51 of the North Dakota Century Code is created and enacted as follows:

Energy impact fund.

There is created in the state treasury the energy impact fund. The fund consists of all moneys deposited in the fund under section 57-51-15. The moneys in the fund may be spent pursuant to legislative appropriations.

SECTION 18. AMENDMENT. Section 57-51.1-07.6 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.6. Political subdivision allocation fund – Oil and gas tax revenue allocations to political subdivisions – State treasurer – Continuing appropriation.

There is created in the state treasury the political subdivision allocation fund. The fund consists of oil and gas tax revenue deposited in the fund pursuant to this chapter. ~~All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of allocations to political subdivisions in oil-producing counties.~~

1. ~~If the balance of the fund exceeds ten million dollars on March first of each odd-numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year.~~
2. ~~If the balance of the fund exceeds ten million dollars on August first of each odd-numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year.~~

SECTION 19. REPEAL. Section 57-51.1-07.6 of the North Dakota Century Code is repealed.

SECTION 20. LEGISLATIVE INTENT - ENCOURAGEMENT OF ENERGY INFRASTRUCTURE INVESTMENT - COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS - USE OF TERMS. It is the intent of the sixty-fifth legislative assembly that the state of North Dakota encourage the continued development of energy infrastructure that will help reduce instances of natural gas flaring and increase the market value received for oil and gas produced within the state generally and from state-owned lands specifically which will increase the value of royalties paid to the funds under the control of the board of university and school lands. Consistent with this intent, the commissioner of university and school lands shall continue to interpret the terms "gross production," "market value," and "gross proceeds of sale" in its lease form to mean a value determined at the producing well or associated production facility, or in the surrounding field or area, where the oil and gas was produced, before any post-production activities undertaken by the lessee, operator, or purchaser after the oil and gas has been transported from the producing well and associated production facility. These values must be determined by the amount received by the lessee in an arm's length contract, or in the absence of an arm's length contract, either a comparable sales method or a work-back calculation methodology consistent with state law.

SECTION 21. STUDY OF OIL AND GAS VALUATION - REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE.

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall study the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. The market competition for gas processing, including the possibility of rate setting by the public service commission.
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - OIL AND GAS TAX REVENUE ALLOCATIONS TO HUB CITIES AND HUB CITY SCHOOL DISTRICTS.

1. During the 2017-18 interim, the legislative management shall consider studying oil and gas tax revenue allocations to hub cities and hub city school districts. The study must include consideration of the following:

- a. The current and historical oil and gas tax revenue allocations to hub cities and hub city school districts.
 - b. Other state funding provided to hub cities and hub city school districts, including grants from the oil and gas impact grant fund, distributions from the strategic investment and improvements fund, state school aid payments, and payments from the state aid distribution fund and highway tax distribution fund.
 - c. Local taxing and revenue levels in hub cities compared to cities in non-oil-producing counties, including mill levies, property tax values, local sales and use taxes, and other revenue sources.
 - d. The appropriate level of oil and gas tax revenue allocations to hub cities and hub city school districts based on infrastructure and other needs.
 - e. The estimated fiscal impact to hub cities, hub city school districts, other political subdivisions, and the state if the oil and gas tax revenue allocation formula would be changed to transition hub cities and hub city school districts from allocations under subsection 1 of section 57-51-15 to allocations under subsections 4 and 5 of section 57-51-15.
 - f. The estimated fiscal impact to hub cities, hub city school districts, other political subdivisions, and the state if the oil and gas tax revenue allocation formula would be changed to discontinue the allocations to hub cities and hub city school districts under subsection 1 of section 57-51-15.
2. The membership of the committee assigned the responsibility of the study must proportionately reflect the state's population distribution between oil-producing counties and non-oil-producing counties and must include members from the finance and taxation committees and the appropriations committees.
 3. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.

Approved May 2, 2017

Filed May 3, 2017

CHAPTER 39

SENATE BILL NO. 2014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide a contingent appropriation; to provide for transfers; to amend and reenact sections 15-62.1-07, 28-25-11, 54-17-40, 54-18-19, and 57-62-02 of the North Dakota Century Code and section 26 of chapter 14 of the 2015 Session Laws, relating to loan guarantee fees, suspension of recreational licenses, the housing incentive fund, North Dakota mill and elevator profits, coal development trust fund allocations, and a financial center project; to repeal section 54-17-41 of the North Dakota Century Code, relating to housing incentive fund reports; to provide statements of legislative intent; to provide for reports; to provide exemptions; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the industrial commission and agencies under its control for the purpose of defraying the expenses of the industrial commission and agencies under its control, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

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

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$58,542,301	(\$53,097)	\$58,489,204
Capital assets	745,000	65,000	810,000

Total special funds	\$59,287,301	\$11,903	\$59,299,204
Full-time equivalent positions	181.50	0.00	181.50

Subdivision 3.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
Operating expenses	27,327,000	868,000	28,195,000
Contingencies	500,000	0	500,000
Agriculture promotion	210,000	0	210,000
Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519
Full-time equivalent positions	147.00	6.00	153.00

Subdivision 4.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,745,034	\$147,022	\$7,892,056
Operating expenses	3,744,275	999,080	4,743,355
Grants	25,930,780	5,864,048	31,794,828
Housing finance agency contingencies	100,000	0	100,000
Total special funds	\$37,520,089	\$7,010,150	\$44,530,239
Full-time equivalent positions	46.00	(2.00)	44.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
Grand total special funds	178,117,735	10,268,433	188,386,168
Grand total all funds	\$203,075,481	\$10,719,674	\$213,795,155

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

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Litigation	\$2,500,000	\$1,000,000
Lignite research council grant		4,672,500
Aerial photography		104,143
Contract analysis		125,000
Digital conversion		25,000
Migration to RBDMS.net		250,000
All-terrain vehicles		41,500

Core library expansion	13,625,322	0
Financial center project	<u>17,000,000</u>	<u>0</u>
Total all funds	\$38,343,465	\$1,000,000
Total special funds	<u>30,625,322</u>	<u>1,000,000</u>
Total general fund	\$7,718,143	\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The industrial commission 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.

SECTION 4. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$13,210,484 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2017, and ending June 30, 2019:

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

SECTION 5. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME. In addition to the amount appropriated to the housing finance agency in subdivision 4 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2017, and ending June 30, 2019. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency.

SECTION 6. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the industrial commission for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING. The amount of \$221,737 from the general fund and two full-time equivalent positions included in subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this section. The industrial commission shall notify the office of management and budget and the legislative council when the total number of wells capable of production and injection exceeds

- ~~In addition to the funding and full-time equivalent positions authorized in subsection 1 and subject to budget section approval, \$836,308 from the~~

contingencies line item and four full-time equivalent positions if the total number of wells capable of production and injection exceeds nineteen thousand four hundred wells-eighteen thousand two hundred. Subject to budget section approval, the industrial commission may spend \$221,737 from the contingencies line item and may hire two full-time equivalent positions if the total number of wells capable of production and injection exceeds eighteen thousand two hundred.

SECTION 8. TRANSFER - ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND. The sum of \$1,103,779, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2017, and ending June 30, 2019, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND. The industrial commission shall transfer to the general fund \$140,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2017, and ending June 30, 2019. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget after consultation with the Bank of North Dakota president.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$16,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 13. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. TRANSFER - BANK OF NORTH DAKOTA - SCHOOL CONSTRUCTION LOAN INTEREST RATE BUYDOWNS. The Bank of North Dakota

shall transfer the sum of \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits for interest rate buydowns on outstanding school construction loans under section 15.1-36-06 during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LIGNITE RESEARCH FUND. The department of trust lands shall transfer the sum of \$3,000,000 from the strategic investment and improvements fund to the lignite research fund during the biennium beginning July 1, 2017, and ending June 30, 2019. The funding must be used to provide grants for advanced energy technology research and development. Grant recipients must provide matching funds.

SECTION 16. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUNDS. The estimated income line item in section 1 of this Act includes \$1,000,000 from the strategic investment and improvements fund for litigation expenses.

SECTION 17. AMENDMENT. Section 15-62.1-07 of the North Dakota Century Code is amended and reenacted as follows:

15-62.1-07. Fees for insurance and other reasonable costs.

~~The agency is hereby authorized to may charge reasonable fees for guarantee and insurance to students obtaining or who have obtained loans under this chapter, and such fees. The agency may charge up to eighteen percent of accumulated principal and interest if the loans are in default under section 15-62.1-06. The fees collected under this section must be available to defray costs of administering the guarantee loan program. Fees in excess of the amount required to pay the cost of administering the program must be deposited in the reserve fund. The authority of the agency to charge reasonable fees under this section applies to all borrowers and cosigners for loans obtained under this chapter whenever the underlying note was executed and subject to the note providing for payments of fees and collections costs.~~

SECTION 18. AMENDMENT. Section 28-25-11 of the North Dakota Century Code is amended and reenacted as follows:

28-25-11. Property applied - Wages exempt - Suspension of occupational or professional licenserecreational licenses for nonpayment of defaulted state guaranteed student loans.

- ~~1. The judge may order any property of the judgment debtor not exempt from execution in the hands either of the judgment debtor or of any other person or due the judgment debtor to be applied toward the satisfaction of the judgment, except that the earnings of the debtor for the debtor's personal services at any time within sixty days next preceding the order cannot be so applied when it is made to appear, by the debtor's affidavit or otherwise, that the earnings are necessary for the use of a family supported wholly or partly by the debtor's labor.~~
- ~~2. If the debt for which a judgment is entered is for a guaranteed student loan, the court, after considering the factors in subsection 1, shall address and make specific findings on the issue of whether the judgment debtor has an occupational or a professional certificate license or permit issued by or on behalf of the state or any occupational or professional boards, which the judgment debtor is required to obtain before engaging in the judgment debtor's occupation or profession. The court, based on principles of fairness, including consideration of whether the judgment debtor has been unjustly~~

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

SECTION 19. AMENDMENT. Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

54-17-40. ~~(Effective through June 30, 2017)~~ Housing incentive fund - Continuing appropriation - Report to budget section.

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.
2. a. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least twenty-five percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage. ~~The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.~~
- b. The annual allocation plan must give first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.

- c. The second priority in the annual allocation plan must be to provide housing for individuals and families of low or moderate income. For purposes of this second priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this second priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.

~~The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers. The housing finance agency shall report quarterly to the budget section of the legislative management on the progress being made to reduce the overall number of units owned, master leased, or subsidized by these entities. This report must include a listing of projects approved and number of units within those projects that provide housing for essential service workers.~~

3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:
- a. New construction, rehabilitation, or acquisition of a multifamily housing project;
 - b. Gap assistance, matching funds, and accessibility improvements;
 - c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
 - d. Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.
4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.
5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.
6. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.
7. The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers.

8. Upon request, the housing finance agency shall report to the industrial commission regarding the activities of the housing incentive fund.
9. At least once per biennium, the housing finance agency shall provide a report to the budget section of the legislative management regarding the activities of the housing incentive fund. The report must include the following:
 - a. The overall number of units owned, master leased, or subsidized by political subdivisions or other employers of essential service workers; and
 - b. A listing of projects approved and the number of units within those projects that provide housing for essential service workers.

SECTION 20. AMENDMENT. Section 54-18-19 of the North Dakota Century Code is amended and reenacted as follows:

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

The industrial commission shall transfer to the state general fund ~~fifty~~^{fifty-seven} percent of the annual earnings and undivided profits of the North Dakota mill and elevator association after any transfers to other state agricultural-related programs. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget.

¹⁵ **SECTION 21. AMENDMENT.** Section 57-62-02 of the North Dakota Century Code is amended and reenacted as follows:

57-62-02. Allocation of moneys in coal development fund

Moneys deposited in the coal development fund shall be apportioned monthly by the state treasurer as follows:

1. ~~Thirty~~^{Fifteen} percent must be deposited in a permanent trust fund in the state treasury, to be known as the coal development trust fund, pursuant to section 21 of article X of the Constitution of North Dakota. Those funds held in trust and administered by the board of university and school lands on March 5, 1981, pursuant to section 12, chapter 563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or section 13, chapter 626, 1979 Session Laws must also be deposited in the trust fund created pursuant to this subsection. The fund must be held in trust and administered by the board of university and school lands for loans to coal-impacted counties, cities, and school districts as provided in section 57-62-03 and for loans to school districts pursuant to chapter 15.1-36. The board of university and school lands may invest such funds as are not loaned out as provided in this chapter and may consult with the state investment board as provided by law. The income, including interest payments on loans, from the trust must be used first to replace uncollectible loans made from the fund and the balance must be deposited in the school construction assistance loan fund. Loan principal payments must be redeposited in the trust fund. The trust fund must be perpetual and held in trust as a replacement for depleted natural resources subject to the provisions of this chapter and chapter 15.1-36.

¹⁵ Section 57-62-02 was also amended by section 4 of House Bill No. 1005, chapter 4, section 1 of Senate Bill No. 2101, chapter 403, and section 8 of Senate Bill No. 2272, chapter 368.

2. Fifteen percent must be deposited in the lignite research fund for the purpose of developing advanced energy technology.
3. Seventy percent must be allocated to the coal-producing counties and must be distributed among such counties in such proportion as the number of tons [metric tons] of coal severed at each mining operation bears to the total number of tons [metric tons] of coal severed in the state during such monthly period. Allocations under subdivisions a and b must be apportioned by the state treasurer as follows:
 - a. If the tipple of the currently active coal mining operation in a county is not within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue apportioned according to this subdivision must be allocated as follows:
 - (1) Thirty percent must be paid by the state treasurer to the incorporated cities of the county based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.
 - (2) Forty percent must be paid to the county treasurer who shall deposit it in the county general fund to be used for general governmental purposes.
 - (3) Thirty percent must be apportioned by the state treasurer to school districts within the county on the average daily membership basis, as certified to the state treasurer by the county superintendent of schools.
 - b. If the tipple of a currently active coal mining operation in a county is within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue from the production not exceeding the production limitation in a calendar year which is apportioned from that coal mining operation according to this subsection must be allocated, subject to the definitions of terms and the requirements in paragraph 4, as provided in this subdivision. For purposes of this subdivision, the production limitation is three million eight hundred thousand tons [3447302.02 metric tons] through calendar year 1995, three million six hundred thousand tons [3265865.07 metric tons] in calendar years 1996 and 1997, and three million four hundred thousand tons [3084428.12 metric tons] in calendar years after 1997. Revenue from production exceeding the production limitation in a calendar year from that coal mining operation must be allocated only within the coal-producing county under subdivision a. Allocations under this subdivision must be made as follows:
 - (1) Thirty percent must be paid by the state treasurer to the incorporated cities of the coal-producing county and to any city of a non-coal-producing county when any portion of the city lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county, based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.

- (2) Forty percent must be divided by the state treasurer between the general fund of the coal-producing county and the general fund of any non-coal-producing county when any portion of the latter county lies within fifteen miles [24.14 kilometers] of the tippie of the currently active coal mining operation in the coal-producing county. The non-coal-producing county portion must be based upon the ratio which the assessed valuation of all quarter sections of land in that county, any portion of which lies within fifteen miles [24.14 kilometers] of the tippie of the currently active coal mining operation, bears to the combined assessed valuations of all land in the coal-producing county and the quarter sections of land in the non-coal-producing county within fifteen miles [24.14 kilometers] of the tippie of the currently active coal mining operation. The county director of tax equalization of the coal-producing county shall certify to the state treasurer the number of quarter sections of land in the non-coal-producing counties which lie at least in part within fifteen miles [24.14 kilometers] of the tippie of the currently active coal mining operation and their assessed valuations.
- (3) Thirty percent must be apportioned by the state treasurer to school districts within the coal-producing county and to school districts in adjoining non-coal-producing counties when a portion of those school districts' land includes any of the quarter sections of land certified by the director of tax equalization to the state treasurer to be eligible to share county funds as provided for in paragraph 2. The county superintendent of the non-coal-producing counties shall certify to the state treasurer the number of students actually residing on these quarter sections lying outside the coal-producing county and each school district in non-coal-producing counties shall receive a portion of the money under this paragraph based upon the ratio of the number of children residing on quarter sections of that school district within the fifteen-mile [24.14-kilometer] radius of the tippie of a currently active coal mining operation to the total number of schoolchildren from the coal-producing county combined with all the schoolchildren certified to be living on quarter sections within fifteen miles [24.14 kilometers] of the tippie of the currently active coal mining operation in the coal-producing county.
- (4) For the purposes of this subdivision:
 - (a) The terms "currently active coal mining operation in a county", "currently active coal mining operation in the coal-producing county", and "currently active coal mining operation" mean a coal mining operation that produced more than one hundred fifty thousand tons [136077.71 metric tons] of coal in a coal-producing county during the prior quarterly period.
 - (b) The term "coal-producing county" means a county in which more than one hundred fifty thousand tons [136077.71 metric tons] of coal were mined in the prior quarterly period.
 - (c) The term "another county in which no coal is mined" means a county in which not more than seventy-five thousand tons [68038.86 metric tons] of coal were mined in the prior quarterly period.

- (d) The terms "non-coal-producing county" and "non-coal-producing counties" mean any county in which not more than seventy-five thousand tons [68038.86 metric tons] of coal were mined in the prior quarterly period.
- (e) In computing each amount to be paid as provided in paragraph 1, 2, or 3 for coal severance tax revenue from coal mined during a monthly period, the state treasurer shall deduct from the allocation the amount of coal severance tax revenue, if any, that the governmental body in the non-coal-producing county received from the coal mined in the non-coal-producing county during the same monthly period.
- (5) The state treasurer shall allocate funds provided by legislative appropriation to cities, the county general fund, and school districts within a coal-producing county according to the allocation method provided in subdivision a in an amount to offset fifty percent of the loss of that county's share of coal severance tax revenue allocated to a non-coal-producing county under this subdivision in the previous calendar year. The state treasurer shall make the allocation and distribute the funds, within the limits of legislative appropriations, under this paragraph during the first month of each calendar year. The state treasurer shall include in each biennial budget request the amounts estimated to be necessary for the biennium for purposes of this paragraph, based on the allocations under this subdivision in the most recent calendar years.

SECTION 22. AMENDMENT. Section 26 of chapter 14 of the 2015 Session Laws is amended and reenacted as follows:

SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT. The capital assets line item in subdivision 2 of section 1 of this Act includes \$17,000,000 from the assets of the Bank of North Dakota for the purpose of constructing a North Dakota financial center on a site adjacent to the existing building in which the Bank is located. The Bank may spend the funding only if the Bank's net income, reported in accordance with financial accounting standards board accounting standards, for calendar year 2015 exceeds \$125,000,000. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available ~~during the biennium beginning July 1, 2017, and ending June 30, 2019~~through June 30, 2021. The Bank of North Dakota shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the North Dakota financial center, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project.

SECTION 23. REPEAL. Section 54-17-41 of the North Dakota Century Code is repealed.

SECTION 24. EXEMPTION - INDUSTRIAL COMMISSION FUND. The amount appropriated to the industrial commission in the special funds appropriation line item in section 1 of chapter 14 of the 2015 Session Laws and transferred pursuant to section 6 of chapter 14 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

industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 25. EXEMPTION - LIGNITE RESEARCH GRANTS. The amount appropriated to the industrial commission from the general fund for lignite research grants in the grants line item in section 1 of chapter 14 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 industrial commission for lignite research grants during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 26. LEGISLATIVE INTENT - RENEWABLE ENERGY DEVELOPMENT FUND. It is the intent of the sixty-fifth legislative assembly that the industrial commission consider applications for funding from the renewable energy development fund for advanced energy technology development projects.

SECTION 27. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section also may be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the industrial commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 28. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF NORTH DAKOTA. The Bank of North Dakota may not construct a North Dakota financial center on a site adjacent to the existing building on which the Bank of North Dakota is located related to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in sections 2 and 26 of chapter 14 of the 2015 Session Laws until after June 30, 2019.

SECTION 29. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the industrial commission shall conduct a study in consultation with the game and fish department, the state department of health, the state water commission, and any other state agencies as necessary, regarding the feasibility of and appropriate jurisdiction for regulation of sediment studies and dredging operations from the beds of reservoirs that retain more than fifty acre-feet of surface water. The study must include consideration of best practices in other states, an outline of any proposed regulations, and a plan to implement a uniform permitting process. The industrial commission shall report to the legislative management by September 30, 2018, regarding the results and recommendations of the study.

SECTION 30. GAIN-SHARING PROGRAM STUDY - REPORT TO LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the industrial

commission shall conduct a study in consultation with the North Dakota mill and elevator association regarding the gain-sharing program. The study must include consideration of the costs and benefits of the gain-sharing program, best practices in other milling operations, and the estimated fiscal impact of repealing or modifying the gain-sharing program. The industrial commission shall report to the legislative management by July 1, 2018, regarding the results and recommendations of the study.

SECTION 31. BANK OF NORTH DAKOTA EFFICIENCY STUDY - REPORT.

During the 2017-18 interim, the Bank of North Dakota shall conduct a study regarding potential efficiencies in operations. The Bank of North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly regarding the results and recommendations of the study.

SECTION 32. EXPIRATION DATE. Section 20 of this Act is effective through June 30, 2019, and after that date is ineffective.

SECTION 33. EMERGENCY. Section 28 of this Act is declared to be an emergency measure.

Approved May 1, 2017

Filed May 3, 2017

CHAPTER 40**SENATE BILL NO. 2015**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide appropriations to the department of human services for behavioral health services; to create and enact a new section to chapter 12-44.1 and two new sections to chapter 54-23.3 of the North Dakota Century Code, relating to management of inmate population, a community behavioral health plan as a term of parole or an alternative to incarceration, and prioritization of admission of inmates; to provide for legislative management oversight studies; to provide for a legislative management justice reinvestment oversight committee; and to provide for reports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$205,626,019	\$16,734,336	\$222,360,355
Youth services	30,654,707	85,802	30,740,509
Total all funds	\$236,280,726	\$16,820,138	\$253,100,864
Less estimated income	33,236,706	5,527,454	38,764,160
Total general fund	\$203,044,020	\$11,292,684	\$214,336,704
Full-time equivalent positions	836.29	9.00	845.29

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$2,155,572, of which \$2,016,105 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Security camera upgrade	\$202,500	\$0
Equipment	470,400	167,000
Extraordinary repairs	719,267	0
Information technology upgrades	150,000	0
DOCSTARS maintenance	150,000	0
License plate issue	4,900,000	0

Electronic medical records system	0	935,907
Justice reinvestment initiative	<u>0</u>	<u>500,000</u>
Total all funds	\$6,592,167	\$1,602,907
Less estimated income	<u>5,126,000</u>	<u>1,602,907</u>
Total general fund	\$1,466,167	\$0

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of corrections and rehabilitation 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.

SECTION 4. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated from special funds derived from federal funds and other income, the sum of \$7,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing the community behavioral health program, for the biennium beginning July 1, 2017, and ending June 30, 2019. The department is authorized six full-time equivalent positions to implement the community behavioral health program.

SECTION 5. APPROPRIATION - REPORT TO LEGISLATIVE MANAGEMENT - DEPARTMENT OF HUMAN SERVICES.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of human services for the purposes of contracting with a public or private entity to create, initiate, and facilitate the implementation of a strategic plan to increase the availability of all types of behavioral health services in all regions of the state, for the biennium beginning July 1, 2017, and ending June 30, 2019.
2. During the 2017-18 interim, the department of human services and the contracting entity shall make annual reports to the legislative management on the status of the creation and implementation of this strategic plan, including recommendations regarding legislation needed for full implementation.

SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes \$935,907 of one-time funding from the strategic investment and improvements fund for an electronic medical records system.

SECTION 7. MISSOURI RIVER CORRECTIONAL CENTER - HOUSING UNIT PURCHASE. The appropriation in section 1 of this Act includes the sum of \$844,000 for the purchase of a thirty-six bed housing unit at the Missouri River correctional center.

SECTION 8. A new section to chapter 12-44.1 of the North Dakota Century Code is created and enacted as follows:

Management of inmate population.

1. The governing body of a correctional facility, in cooperation with law enforcement, state's attorneys, and the judiciary in the judicial district in which the correctional facility is located, shall develop an inmate population plan to prioritize admissions and inmate retention based on the correctional facility's authorized budget.

2. The inmate population plan must take into consideration:
 - a. The governing body's authorized budget;
 - b. The inmate's offense;
 - c. Whether the inmate has been charged, adjudicated, or sentenced;
 - d. Whether the inmate presents a risk of flight or is a danger to others or self;
 - e. The inmate's medical needs and mental and behavioral health needs; and
 - f. Whether the inmate is subject to mandatory incarceration.
3. The inmate population plan must include alternatives to physical custody of individuals under charge or conviction of an offense. Potential alternatives to physical custody include:
 - a. Placement in a community setting;
 - b. Work release;
 - c. Home detention;
 - d. Electronic home detention;
 - e. Global positioning system monitoring;
 - f. Medical, psychiatric, and drug and alcohol treatment;
 - g. Employment;
 - h. Pretrial risk assessment; and
 - i. Pretrial supervision.
4. This section does not apply when there are exigent circumstances that affect a correctional facility's operations and inmate population, including acts of God and mass arrests.
5. The department of corrections and rehabilitation shall provide technical assistance relating to the implementation of this section to the governing body of a correctional facility upon request from the governing body.

SECTION 9. A new section to chapter 54-23.3 of the North Dakota Century Code is created and enacted as follows:

Community behavioral health program - Reports to legislative management and governor.

1. The department of corrections and rehabilitation shall establish and implement a community behavioral health program to provide comprehensive community-based services for individuals who have serious behavioral health conditions, as a term and condition of parole under chapter 12-59, and as a sentencing alternative under section 12.1-32-02.

2. In developing the program under this section, the department of corrections and rehabilitation shall collaborate with the department of human services to:
 - a. Establish a referral and evaluation process for access to the program.
 - b. Establish eligibility criteria that includes consideration of recidivism risk and behavioral health condition severity.
 - c. Establish discharge criteria and processes, with a goal of establishing a seamless transition to postprogram services to decrease recidivism.
 - d. Develop program oversight, auditing, and evaluation processes that must include:
 - (1) Oversight of case management services through the department of human services;
 - (2) Outcome and provider reporting metrics; and
 - (3) Annual reports to the legislative management and the governor on the status of the program.
 - e. Establish a system through which:
 - (1) The department of human services:
 - (a) Contracts with and pays behavioral health service providers; and
 - (b) Supervises, supports, and monitors referral caseloads and the provision of services by contract behavioral health service providers.
 - (2) Contract behavioral health service providers accept all eligible referrals, provide individualized care delivered through integrated multidisciplinary care teams, and continue services on an ongoing basis until discharge criteria are met.
 - (3) Contract behavioral health service providers receive payments on a per-month per-referral basis. The payment schedule must be based on a pay-for-performance model that includes consideration of identified outcomes and the level of services required.
 - (4) Contract behavioral health service providers bill third-parties for services and direct payment to the general fund.
3. The department of human services may adopt rules as necessary to implement this program.

SECTION 10. A new section to chapter 54-23.3 of the North Dakota Century Code is created and enacted as follows:

Prioritization of admission of inmates - Report to legislative management.

The department of corrections and rehabilitation may refuse to admit inmates sentenced to the physical custody of the department when the admission of inmates will exceed the maximum operational capacity of the penitentiary and its affiliated

facilities and result in the department exceeding its authorized legislative appropriation for contracting for housing inmates in other correctional facilities. For purposes of this section, maximum operational capacity of the department means the total number of inmates that may be imprisoned at the same time in the penitentiary and its affiliated facilities. The department shall develop a prison population management plan to prioritize admissions based on sentences and the availability of space in the penitentiary and its affiliated facilities. The department shall report annually to the legislative management on the prison population management plan and inmate admissions and the number of inmates the department has not admitted after sentencing.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - CRIMINAL JUSTICE SYSTEM BEHAVIORAL HEALTH NEEDS. During the 2017-18 interim, the legislative management shall consider continuing its study of alternatives to incarceration, with a focus on the behavioral health needs of individuals in the criminal justice system. The study must include receipt of reports on the status, effectiveness, and sustainability of the community behavioral health program for individuals in the criminal justice system which must include caseload data, any recognized savings to the department of corrections and rehabilitation, an overview of the training requirements for contract behavioral health service providers, and recommendations. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - TOMPKINS REHABILITATION CENTER. During the 2017-18 interim, the legislative management shall consider studying the operation, management, conditions, caseload, and physical plant of the Tompkins rehabilitation center at the state hospital. The study must include the potential transition of the Tompkins rehabilitation center, including the transfer of the building, employees, and supervision and management of all operations and caseload of the Tompkins rehabilitation center, from the department of human services and the state hospital to the department of corrections and rehabilitation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 13. DEPARTMENT OF CORRECTIONS AND REHABILITATION - YOUTH CORRECTIONAL CENTER STUDY - BUDGET SECTION REPORT. During the 2017-18 interim, the department of corrections and rehabilitation, in consultation with the department of human services, the protection and advocacy project, and the supreme court, shall study the potential for increased community-based treatment services for youth offenders, youth correctional center staffing requirements, and the efficiency and adequacy of the youth correctional center facilities. The study must consider the potential to raze and replace the current facilities at the youth correctional center. The department of corrections and rehabilitation shall report the results of the study to the budget section of the legislative management by December 31, 2018.

SECTION 14. JUSTICE REINVESTMENT OVERSIGHT COMMITTEE - REPORT TO THE LEGISLATIVE MANAGEMENT.

1. During the 2017-18 interim, the justice reinvestment oversight committee is created and composed of eight members as follows:
 - a. The governor's general counsel;

- b. The director of the department of human services;
 - c. The director of the behavioral health division of the department of human services;
 - d. The director of the department of corrections and rehabilitation;
 - e. The chief justice of the supreme court, or a designee of the chief justice;
 - f. The attorney general, or a designee of the attorney general;
 - g. One member of the house of representatives, appointed by the majority leader of the house of representatives; and
 - h. One member of the senate, appointed by the majority leader of the senate.
2. The committee shall study the implementation of justice reinvestment policies in the state and periodically report to the legislative management. The governor's office shall provide staff services to the committee.
 3. Before July 1, 2018, the committee shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

Approved April 20, 2017

Filed April 21, 2017

CHAPTER 41**SENATE BILL NO. 2016**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; 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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
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
Full-time equivalent positions	237.76	(56.15)	181.61

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.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	0	100,000
Total all funds	\$89,500	\$100,000
Total special funds	0	0
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.

SECTION 4. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The estimated income line item in section 1 of this Act includes \$11,209,557 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2017, and ending June 30, 2019.

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.

Approved May 1, 2017

Filed May 3, 2017

CHAPTER 42

SENATE BILL NO. 2017

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,195,284	(\$3,434)	\$1,191,850
Operating expenses	<u>1,756,327</u>	<u>(29,543)</u>	<u>1,726,784</u>
Total special funds	\$2,951,611	(\$32,977)	\$2,918,634
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$13,273 from special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

Approved April 12, 2017

Filed April 12, 2017

CHAPTER 43**SENATE BILL NO. 2018**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,015,999	(\$20,211)	\$12,995,788
Operating expenses	16,384,623	(907,001)	15,477,622
Grants	48,134,795	6,375,621	54,510,416
Discretionary funds	784,152	1,415,848	2,200,000
Flood impact grants/loans	0	5,201,752	5,201,752
Agricultural products utilization commission	3,118,611	34,304	3,152,915
North Dakota trade office	2,556,694	(556,694)	2,000,000
Partner programs	2,173,829	(233,984)	1,939,845
Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>750,000</u>	<u>2,250,000</u>
Total all funds	\$87,668,703	\$12,059,635	\$99,728,338
Less estimated income	<u>53,809,604</u>	<u>14,576,054</u>	<u>68,385,658</u>
Total general fund	\$33,859,099	(\$2,516,419)	\$31,342,680
Full-time equivalent positions	69.40	(3.00)	66.40

SECTION 2. HEALTH INSURANCE INCREASE. The salaries line item in section 1 of this Act includes the sum of \$172,554, of which \$135,102 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Workforce enhancement fund	\$960,069	\$0
Flood impact grants/loans	12,859,869	5,201,752
Research North Dakota	4,353,542	0
Unmanned aircraft system	2,662,105	2,000,000
Base retention grants	1,500,000	600,000

Tourism large infrastructure grants	586,000	0
Enhanced use lease grant	7,500,000	3,000,000
Child care facility grants	2,131,267	0
Homeless shelter grants	1,500,000	0
Tribal community college grants	2,837,130	0
Workforce recruitment campaign	300,000	0
Tourism midwest markets	848,481	0
Entrepreneurship grants and vouchers	1,716,830	0
Tourism international	227,836	0
Educators and industry externships	40,000	0
Total all funds	\$40,023,129	\$10,801,752
Less estimated income	21,359,869	9,801,752
Total general fund	\$18,663,260	\$1,000,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of commerce 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.

SECTION 4. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION. Of the amount appropriated for the unmanned aircraft systems program in section 1 of chapter 18 of the 2015 Session Laws up to \$1,000,000 is not subject to section 54-44.1-11 and unexpended funds from this amount are available and may be spent during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$950,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the period beginning with the effective date of this Act and ending June 30, 2019.

SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BASE RETENTION GRANT PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$600,000 from the strategic investment and improvements fund for a base retention grant program to be developed by the department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. The grant program must award direct grants and not cost reimbursement grants. The department may award grants of \$200,000 to each community with an air force base or air national guard facilities.

SECTION 9. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED AIRCRAFT SYSTEMS PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$2,000,000 from the strategic investment and improvements fund for operations of the unmanned aircraft systems test site, for the biennium beginning July 1, 2017, and ending

June 30, 2019. The department of commerce shall consult with the aeronautics commission regarding test site operational costs and support services and best practices related to the unmanned aircraft systems test site.

SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED USE LEASE GRANT PROGRAM. The grants line item and the estimated income line item in section 1 of this Act include the sum of \$3,000,000, of which \$1,000,000 is from the general fund and \$2,000,000 is from the strategic investment and improvements fund for an enhanced use lease grant program, for the biennium beginning July 1, 2017, and ending June 30, 2019. Grants must be awarded for initiatives related to the unmanned aircraft system industry in North Dakota, including for the purposes of infrastructure, research, development, the creation of software, and the purchase of equipment benefiting the unmanned aircraft system. The department of commerce shall require grant recipients to provide matching funds in the form of cash, property, or in-kind consideration, totaling \$1,000,000 for the grants awarded under this program.

SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$2,000,000 of funding relating to the North Dakota trade office. The department of commerce may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2017, and ending June 30, 2019. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM - EXEMPTION. Section 1 of this Act includes the sum of \$2,250,000, of which \$600,000 is from the general fund and \$1,650,000 is from special funds, for an entrepreneurship grants and voucher program to be developed and administered by the department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. Of the amount appropriated, \$900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks, \$300,000 to an organization that provides workplace safety, and \$300,000 for biotechnology grants. The department shall establish guidelines to provide grants to entrepreneurial centers certified by the department. The department also shall establish guidelines to award vouchers to entrepreneurs to procure business development assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working with an entrepreneurial center. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. ENERGY AND ENVIRONMENTAL RESEARCH CENTER GRANT - MATCHING REQUIREMENT. The grants line item in section 1 of this Act includes \$500,000 from the research North Dakota fund which the department of commerce shall provide as a grant to the energy and environmental research center at the university of North Dakota. The grant must be utilized for economic development and diversification of the North Dakota economy and may be provided only to the extent the energy and environmental research center provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. ESTIMATED INCOME - RESEARCH NORTH DAKOTA FUND.

Notwithstanding section 54-65-08, the estimated income line item in section 1 of this Act includes \$3,500,000 from the research North Dakota fund to the department of commerce for department programs. Of this amount, \$500,000 is for the North Dakota tourism program, \$1,000,000 is for discretionary funds, \$1,500,000 is for entrepreneurship grants and vouchers, and \$500,000 is for providing a grant to the energy and environmental research center at the university of North Dakota.

SECTION 15. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE GENERAL FUND. Notwithstanding section 54-65-08, the office of management and budget shall transfer \$4,000,000 from the research North Dakota fund to the general fund, during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 16. EMERGENCY. Funding of \$950,000 in the operating expenses line item in sections 1 and 7 of this Act, relating to the operation intern program, are declared to be an emergency measure.

Approved May 1, 2017

Filed May 3, 2017

CHAPTER 44

SENATE BILL NO. 2019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,763,504	(\$63,529)	\$4,699,975
Operating expenses	1,267,340	(26,751)	1,240,589
Grants	31,240,290	1,593,066	32,833,356
Grants - postsecondary	661,113	(364,906)	296,207
Adult farm management	660,438	(80,616)	579,822
Workforce training	<u>2,803,500</u>	<u>(803,500)</u>	<u>2,000,000</u>
Total all funds	\$41,396,185	\$253,764	\$41,649,949
Less estimated income	<u>9,697,887</u>	<u>2,395,779</u>	<u>12,093,666</u>
Total general fund	\$31,698,298	(\$2,142,015)	\$29,556,283
Full-time equivalent positions	26.50	(2.00)	24.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$61,059 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium and the 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
School district and area center grants	\$0	\$2,427,000
Marketplace for kids	0	300,000
Total all funds	\$0	\$2,727,000
Less estimated income	0	<u>2,477,000</u>
Total general fund	\$0	\$250,000

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of career and technical education 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.

SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.

The estimated income line item in section 1 of this Act includes \$2,477,000 from the foundation aid stabilization fund for providing grants to school districts and area centers. Of this amount, \$50,000 is for the marketplace for kids program.

SECTION 5. WORKFORCE TRAINING. The workforce training line item in section 1 of this Act includes \$2 million from the general fund for the purpose of providing workforce training grants for the biennium beginning July 1, 2017, and ending June 30, 2019. Of this amount, \$1 million is to be distributed equally to Bismarck state college, lake region state college, Williston state college, and the North Dakota state college of science. The department of career and technical education shall award the remaining \$1 million of workforce training grants based on job training needs throughout North Dakota and may consider applications from tribally controlled community colleges when determining these grant awards. Tribally controlled community colleges must collaborate with at least one of the four higher education institutions listed in this section when submitting applications for workforce training grants.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 45

SENATE BILL NO. 2020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-05.1-05 and 4-08-10 of the North Dakota Century Code, relating to main research center experiment station and extension service position adjustments; to provide for a legislative management study; to provide for budget section reports; to provide for a report to the appropriations committees; to provide an exemption; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$52,517,908	(\$1,314,419)	\$51,203,489
Soil conservation committee	<u>1,133,362</u>	<u>(41,842)</u>	<u>1,091,520</u>
Total all funds	\$53,651,270	(\$1,356,261)	\$52,295,009
Less estimated income	<u>25,826,708</u>	<u>819,981</u>	<u>26,646,689</u>
Total general fund	\$27,824,562	(\$2,176,242)	\$25,648,320
Full-time equivalent positions	263.91	(10.93)	252.98

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$3,712,202	(\$69,481)	\$3,642,721
Total all funds	\$3,712,202	(\$69,481)	\$3,642,721
Less estimated income	<u>1,747,735</u>	<u>8,095</u>	<u>1,755,830</u>
Total general fund	\$1,964,467	(\$77,576)	\$1,886,891
Full-time equivalent positions	12.00	(0.20)	11.80

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Upper great plains transportation institute	<u>\$22,076,448</u>	<u>\$283,794</u>	<u>\$22,360,242</u>
Total all funds	\$22,076,448	\$283,794	\$22,360,242
Less estimated income	<u>18,175,657</u>	<u>641,411</u>	<u>18,817,068</u>
Total general fund	\$3,900,791	(\$357,617)	\$3,543,174
Full-time equivalent positions	54.98	(11.10)	43.88

Subdivision 4.

MAIN RESEARCH CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Main research center	<u>\$110,529,780</u>	<u>(\$1,887,537)</u>	<u>\$108,642,243</u>
Total all funds	\$110,529,780	(\$1,887,537)	\$108,642,243
Less estimated income	<u>56,948,525</u>	<u>2,136,303</u>	<u>59,084,828</u>
Total general fund	\$53,581,255	(\$4,023,840)	\$49,557,415
Full-time equivalent positions	353.85	(17.73)	336.12

Subdivision 5.

BRANCH RESEARCH CENTERS

	Base Level	Adjustments or Enhancements	Appropriation
Dickinson research extension center	\$6,996,678	(\$171,127)	\$6,825,551
Central grasslands research extension center	3,531,779	(108,155)	3,423,624
Hettinger research extension center	5,086,767	(111,634)	4,975,133
Langdon research extension center	3,045,836	(81,229)	2,964,607
North central research extension center	5,044,213	(90,561)	4,953,652
Williston research extension center	5,267,400	1,351,490	6,618,890
Carrington research extension center	<u>9,328,093</u>	<u>(152,602)</u>	<u>9,175,491</u>
Total all funds	\$38,300,766	\$636,182	\$38,936,948
Less estimated income	<u>19,817,130</u>	<u>1,964,561</u>	<u>21,781,691</u>
Total general fund	\$18,483,636	(\$1,328,379)	\$17,155,257
Full-time equivalent positions	113.94	(3.65)	110.29

Subdivision 6.

AGRONOMY SEED FARM

	Base Level	Adjustments or Enhancements	Appropriation
Agronomy seed farm	<u>\$1,521,007</u>	<u>\$15,122</u>	<u>\$1,536,129</u>

Total special funds	\$1,521,007	\$15,122	\$1,536,129
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$105,754,711	(\$7,963,654)	\$97,791,057
Grand total other funds	<u>124,036,762</u>	<u>5,585,473</u>	<u>129,622,235</u>
Grand total all funds	\$229,791,473	(\$2,378,181)	\$227,413,292

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$2,141,727, of which \$1,268,815 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Agronomy laboratories	\$150,000	\$0
Rural leadership project	141,252	0
Seed cleaning plants	4,408,224	1,500,000
Upper great plains transportation institute road study	628,823	0
Junior master gardener program	12,500	15,000
Veterinary diagnostic laboratory	18,000,000	0
Dust issues technical support	100,000	0
Land purchase - Langdon	350,000	0
Flooded lands study	67,952	0
Road and bridge asset management system	<u>0</u>	<u>300,000</u>
Total all funds	\$23,858,751	\$1,815,000
Total other funds	<u>21,325,000</u>	<u>1,700,000</u>
Total general fund	\$2,533,751	\$115,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The upper great plains transportation institute, main and branch research centers, and North Dakota state university extension service 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.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total other funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-05.1-05. North Dakota state university main research center position adjustments - Budget section report.

The North Dakota state university main research center must be located on the campus of North Dakota state university of agriculture and applied science. The center is the administrative location of the agricultural experiment station. The center shall conduct research and coordinate all research activities of the agricultural experiment station. The research must have, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. Subject to the availability of funds, the station director may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the agricultural experiment station. Twelve-month employees whose employment is not limited in duration must accrue leave pursuant to provisions of section 54-06-14. All full or partial positions must be separate from North Dakota state university. Annually, the station director shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section. The center may conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops. The center may collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall monitor the collection of feral hemp seed stock and industrial hemp strain development and shall certify appropriate stocks for licensed commercial cultivation.

SECTION 6. AMENDMENT. Section 4-08-10 of the North Dakota Century Code is amended and reenacted as follows:

4-08-10. Extension agent to submit monthly account of expenditures - Position adjustments - Budget section report.

The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service subject to the supervision of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray

expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university. Subject to the availability of funds, the director of the North Dakota state university extension service may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the extension service. Twelve-month employees whose employment is not limited in duration must accrue leave pursuant to provisions of section 54-06-14. All full- or part-time positions must be separate from North Dakota state university. Annually, the director of the North Dakota state university extension service shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section.

SECTION 7. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2017-19 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the appropriations committees of the sixty-sixth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2015, and ending June 30, 2017, and the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 10. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The state board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 11. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amounts appropriated for the veterinary diagnostic laboratory and the seed cleaning plants contained in subdivision 4 of section 1 of chapter 20 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 13. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - ROAD AND BRIDGE ASSET MANAGEMENT SYSTEM MATCHING FUNDS. Subdivision 3 of section 1 of this Act includes \$100,000 from the general fund for a road and bridge asset management system which may be spent only to the extent the upper great

plains transportation institute provides two dollars of matching funds from nonstate sources for each one dollar provided from the general fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE SOIL CONSERVATION COMMITTEE. During the 2017-18 interim, the legislative management shall study the state soil conservation committee. The study must include a review of the duties, responsibilities, and related costs and efficiencies of the committee and related North Dakota state university extension service staff, the needs of the soil conservation districts, and the necessity to continue the state soil conservation committee. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 15. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE STUDY - BUDGET SECTION REPORT. During the 2017-18 interim, the state board of agricultural research and education, in consultation with the governor's office, shall study the duties and responsibilities of the North Dakota state university extension service. The study must include a review of the mission, existing programs, the efficiency and effectiveness of the delivery methods for existing programs, and potential program changes. The state board of agricultural research and education shall report its findings and recommendations to increase the efficiency and effectiveness of the North Dakota state university extension service to the budget section of the legislative management by March 31, 2018.

SECTION 16. EXPIRATION DATE. Sections 5 and 6 of this Act are effective through June 30, 2019, and after that date are ineffective.

Approved April 26, 2017

Filed April 26, 2017

CHAPTER 46**SENATE BILL NO. 2021**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to provide appropriations to certain agencies for an electronic payment processing system; to authorize borrowing authority; to provide for transfers; to provide for a report; to create and enact sections 15-19-01.1 and 15-19-02.1 of the North Dakota Century Code, relating to the centers for distance education; to amend and reenact subsection 1 of section 37-17.3-02.2, section 54-59-31, and subsection 1 of section 54-59-34 of the North Dakota Century Code, relating to the statewide interoperability executive committee, certified electronic health information systems, and the statewide longitudinal data system; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$58,113,215	\$1,246,557	\$59,359,772
Operating expenses	70,927,060	(999,062)	69,927,998
Capital assets	8,850,000	(555,000)	8,295,000
Centers for distance education	9,091,690	(12,574)	9,079,116
Statewide longitudinal data system	5,500,661	(1,190,100)	4,310,561
Educational technology council	1,655,947	(534,475)	1,121,472
Edutech	9,052,048	700,719	9,752,767
K-12 wide area network	4,880,862	(346,584)	4,534,278
Geographic information system	1,192,978	(45,262)	1,147,716
Health information technology office	5,354,633	43,516,009	48,870,642
Statewide interoperability radio network	<u>0</u>	<u>13,700,000</u>	<u>13,700,000</u>
Total all funds	\$174,619,094	\$55,480,228	\$230,099,322
Less estimated income	<u>151,213,039</u>	<u>58,353,949</u>	<u>209,566,988</u>
Total general fund	\$23,406,055	(\$2,873,721)	\$20,532,334
Full-time equivalent positions	350.30	(6.00)	344.30

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$926,470, of which \$173,819 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted

for the 2015-17 biennium and the 2017-19 one-time funding items included in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Educational technology council grants	\$912,060	\$0
Statewide longitudinal data system	358,280	0
Statewide radio coordination	1,401,750	0
Health data study	500,000	0
Electronic payment processing system	0	375,000
Health information network expansion	0	<u>43,555,133</u>
Total all funds	\$3,172,090	\$43,930,133
Less estimated income	500,000	<u>43,930,133</u>
Total general fund	\$2,672,090	\$0

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The information technology department 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.

SECTION 4. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects.

SECTION 5. Section 15-19-01.1 of the North Dakota Century Code is created and enacted as follows:

15-19-01.1. Distance education courses - Course lists to school districts - Notification.

The center for distance education shall provide by December thirty-first of each year, a complete list of courses offered by the center to all school districts. Each school district shall notify its students and their parents or guardians of the complete list of courses offered and the school district's policies for course selection and related fees.

SECTION 6. Section 15-19-02.1 of the North Dakota Century Code is created and enacted as follows:

15-19-02.1. Distance education clearinghouse.

The director of the center for distance education shall establish a clearinghouse for online courses delivered to North Dakota schools for the purpose of providing:

1. A list of the online courses and providers for all North Dakota schools to access.
2. Awareness of online courses available in new and emerging careers.
3. A list of comparative prices for online courses and other online services.
4. Awareness of the differences between technological innovation and learning innovation.

¹⁶ **SECTION 7. AMENDMENT.** Subsection 1 of section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The statewide interoperability executive committee consists of:
 - a. The director of state radio or a designee;
 - b. The director of the division of homeland security or a designee;
 - c. The superintendent of the highway patrol or a designee;
 - d. The adjutant general or a designee;
 - e. The director of the department of transportation or a designee;
 - f. A representative of the North Dakota sheriff's and deputies association;
 - g. A representative of the North Dakota emergency managers association;
 - h. A representative of the North Dakota fire chiefs association;
 - i. A representative of the North Dakota emergency medical services association;
 - j. A representative of the North Dakota police chiefs association;
 - k. A representative of the North Dakota peace officers association;
 - l. A representative of the North Dakota 911 association; and
 - m. The North Dakota chief information officer or a designee;
 - n. The North Dakota Indian affairs commission executive director or a designee; and
 - o. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management.

SECTION 8. AMENDMENT. Section 54-59-31 of the North Dakota Century Code is amended and reenacted as follows:

54-59-31. Certified electronic health records systems.

1. An executive branch state agency, an institution of higher education, and any health care provider or other person participating in the health information exchange may use only an electronic health record system for use in the exchange which is certified under rules adopted by the office of the national coordinator for health information technology.
2. Subsection 1 does not apply if:

¹⁶ Section 37-17.3-02.2 was also amended by section 2 of House Bill No. 1178, chapter 247, and section 1 of Senate Bill No. 2050, chapter 245.

- a. The office of the national coordinator for health information technology does not require certification of the electronic health record system for that type of provider; or
- b. The North Dakota health information technology director waives the certification requirement.

SECTION 9. AMENDMENT. Subsection 1 of section 54-59-34 of the North Dakota Century Code is amended and reenacted as follows:

1. The statewide longitudinal data system committee shall manage a statewide longitudinal data system that:
 - a. Provides for the dissemination of management information to stakeholders and partners of state education, training, and employment systems; and
 - b. Is required to provide on an annual basis to education and workforce development programs, to the extent permitted by federal law, the wage record interchange system 2 data sharing agreement and the state wage interchange system data sharing agreement and state performance reports that measure the aggregate outcomes of participants in the workforce and continuing education programs, including private workforce and education programs that request the reports; and
 - c. Uses data from educational and workforce systems as central sources of statewide longitudinal data.

SECTION 10. LOAN AUTHORIZATION - APPROPRIATION - ELECTRONIC PAYMENT PROCESSING SYSTEM. The state agencies named in this section may borrow from the Bank of North Dakota, the amounts listed below, or so much of the amounts as may be necessary, which are appropriated to the respective agency for the purpose of defraying the expenses of implementing a new electronic payment system for the biennium beginning July 1, 2017, and ending June 30, 2019.

<u>Agency</u>	<u>Amount</u>
Department of transportation	\$147,000
Secretary of state's office	93,000
Parks and recreation department	42,000
Game and fish department	36,000
Workforce safety and insurance	36,000
Highway patrol	21,000
Total	\$375,000

SECTION 11. LOAN REPAYMENT - APPROPRIATION - ELECTRONIC PAYMENT PROCESSING SYSTEM. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from additional revenue received as a result of the implementation of a new electronic payment processing system to the agencies named below for the purpose of repaying the Bank of North Dakota loans authorized in section 10 of this Act, plus interest for the biennium beginning July 1, 2017, and ending June 30, 2019.

<u>Agency</u>	<u>Amount</u>
Department of transportation	\$159,000
Secretary of state's office	101,000
Parks and recreation department	46,000

Game and fish department	39,000
Workforce safety and insurance	39,000
Highway patrol	<u>23,000</u>
Total	\$407,000

SECTION 12. LEGISLATIVE INTENT - STATE GOVERNMENT EFFICIENCIES.

It is the intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the governor achieve efficiencies and budgetary savings within the information technology department and other state agencies through the use of innovative ideas and solutions relating to information technology and related services. It is also the intent of the sixty-fifth legislative assembly that the governor submit proposed legislation necessary to implement any ideas and solutions for state government efficiencies and budgetary savings which cannot be implemented during the 2017-18 interim to the sixty-sixth legislative assembly.

Approved April 25, 2017

Filed April 25, 2017

CHAPTER 47

SENATE BILL NO. 2022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Commission on legal counsel for indigents	\$18,889,823	\$1,013,800	\$19,903,623
Total all funds	\$18,889,823	\$1,013,800	\$19,903,623
Less estimated income	<u>1,906,914</u>	<u>12,833</u>	<u>1,919,747</u>
Total general fund	\$16,982,909	\$1,000,967	\$17,983,876
Full-time equivalent positions	40.00	0.00	40.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$114,999, of which \$112,215 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium.

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Desktop support	\$122,275	\$0
Contract service fees	<u>200,000</u>	<u>0</u>
Total all funds	\$322,275	\$0
Less estimated income	<u>200,000</u>	<u>0</u>
Total general fund	\$122,275	\$0

Approved April 13, 2017

Filed April 13, 2017

CHAPTER 48

SENATE BILL NO. 2023

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota racing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$546,551	(\$4,373)	\$542,178
Total all funds	\$546,551	(\$4,373)	\$542,178
Less estimated income	158,730	3,827	162,557
Total general fund	\$387,821	(\$8,200)	\$379,621
Full-time equivalent positions	2.00	0.00	2.00

SECTION 2. HEALTH INSURANCE INCREASE. The racing commission line item in section 1 of this Act includes the sum of \$5,309 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

Approved April 13, 2017

Filed April 13, 2017

CHAPTER 49

SENATE BILL NO. 2025

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of veterans' affairs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	\$1,379,982	(\$211,967)	\$1,168,015
Agent orange	50,000	(50,000)	0
State approving agency	288,018	(16,020)	271,998
Grants - transportation program	0	1,719,520	1,719,520
Transport vans	<u>0</u>	<u>37,200</u>	<u>37,200</u>
Total all funds	\$1,718,000	\$1,478,733	\$3,196,733
Less estimated income	<u>288,018</u>	<u>1,803,553</u>	<u>2,091,571</u>
Total general fund	\$1,429,982	(\$324,820)	\$1,105,162
Full-time equivalent positions	9.00	(2.00)	7.00

SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$18,581, of which \$15,431 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Service dogs	\$50,000	\$0
Desktop support hardware	26,895	0
Transport vans	0	18,600
Total general fund	\$76,895	\$18,600

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of veterans' affairs 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.

SECTION 4. APPROPRIATION - SERVICE DOGS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of

veterans' affairs for the purpose of training up to four service dogs to assist North Dakota veterans with post traumatic stress disorder, for the biennium beginning July 1, 2017, and ending June 30, 2019.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 50

SENATE BILL NO. 2174

(Senators Wardner, Heckaman)
(Representatives Carlson, Mock)

AN ACT to provide borrowing authority and an appropriation to the office of the adjutant general; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BORROWING AUTHORITY - APPROPRIATION - ADJUTANT GENERAL. The office of the adjutant general may borrow the sum of \$8,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota access pipeline for the period beginning with the effective date of this Act and ending June 30, 2019. The office of the adjutant general shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 2. BORROWING AUTHORITY - APPROPRIATION - ADJUTANT GENERAL. The office of the adjutant general may borrow the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for the purpose of providing a grant to a county that has experienced an emergency related to protest activities, for the period beginning with the effective date of this Act and ending June 30, 2019. Notwithstanding any other provision of law, the proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of providing a grant to a county that has experienced an emergency related to protest activities, for the period beginning with the effective date of this Act and ending June 30, 2019. The grant funds must be used to reimburse the county for extraordinary personnel, equipment, and materials expenditures related to the protest activities which are not otherwise eligible for reimbursement by the state or federal government. The office of the adjutant general shall request from the legislative assembly a deficiency appropriation sufficient for the repayment of the amount borrowed plus interest.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved January 25, 2017

Filed January 25, 2017

CHAPTER 51

SENATE BILL NO. 2191

(Senators Armstrong, Nelson)
(Representatives Heinert, Delmore)

AN ACT to provide an appropriation to the attorney general for grants.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing grants through the domestic violence and rape crisis program for community-based or hospital-based sexual assault examiner programs, for the biennium beginning July 1, 2017, and ending June 30, 2019. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-sixth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the sixty-sixth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, states attorneys, and sexual assault advocates. Grant funds awarded under this section may not be used for salaries for nurses.

Approved April 10, 2017

Filed April 10, 2017

CHAPTER 52

SENATE BILL NO. 2196

(Senators Laffen, Cook, G. Lee, Robinson)
(Representatives Sanford, Delmore)

AN ACT to authorize this issuance of revenue bonds for the purchase of land and construction of an integrated carbon plant at Valley City state university; to provide an appropriation; to provide for a report to the budget section; to provide for a report to the sixty-sixth legislative assembly; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE - AUTHORIZATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the project authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2019. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following project:

Valley City state university - Construction of an integrated carbon plant including the purchase of land	\$22,500,000
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SECTION 2. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from bond proceeds and other income, to Valley City state university under the supervision of the state board of higher education, for the purpose of defraying the expenses of purchasing property and constructing an integrated carbon plant, beginning with the effective date of this Act and ending June 30, 2019, as follows:

Capital assets	\$22,500,000
Total special funds	\$22,500,000

SECTION 3. VALLEY CITY STATE UNIVERSITY INTEGRATED CARBON PLANT PROJECT - BUDGET SECTION REPORT - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. During the 2017-18 interim, the state board of higher education shall provide a report to the budget section of the legislative management regarding the status of the integrated carbon plant project at Valley City state university. The state board of higher education shall also provide a report to the appropriations committees of the sixty-sixth legislative assembly regarding the status of the project.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 7, 2017

Filed April 7, 2017

CHAPTER 53

SENATE BILL NO. 2203

(Senators Dever, Myrdal, Grabinger)
(Representatives K. Koppelman, Meier, J. Nelson)

AN ACT to provide an appropriation to the attorney general for human trafficking victims treatment and support services; to provide for reports to the attorney general, legislative assembly, and legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - REPORTS TO ATTORNEY GENERAL, LEGISLATIVE ASSEMBLY, AND LEGISLATIVE MANAGEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$125,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the biennium beginning July 1, 2017, and ending June 30, 2019. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-sixth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2017-18 interim on the status and results of the grant program.

SECTION 2. OIL AND GAS IMPACT GRANT FUND - REPORTS TO ATTORNEY GENERAL, LEGISLATIVE ASSEMBLY, AND LEGISLATIVE MANAGEMENT. The board of university and school lands, from funds designated in subsection 3 of section 5 of chapter 463 of the 2015 Session Laws and in addition to the funds designated in section 2 of chapter 375 of the 2015 Session Laws, shall award, based on recommendations from the attorney general, up to \$700,000 in grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the period beginning with the effective date of this Act and ending June 30, 2019. The board of university and school lands, based on the recommendations from the attorney general, may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-sixth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2017-18 interim on the status and results of the grant program. Grants awarded but not yet paid under this section are not subject to section 54-44.1-11.

SECTION 3. EMERGENCY. Section 2 of this Act is declared to be an emergency measure.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 54**SENATE BILL NO. 2224**

(Senators Wardner, Robinson)
(Representatives Bellew, Pollert, Mock)

AN ACT to provide appropriations to the office of management and budget for community service supervision grants; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - COMMUNITY SERVICE SUPERVISION GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing community service supervision grants, for the biennium beginning July 1, 2017, and ending June 30, 2019. The director of the office of management and budget shall distribute the grant funds to North Dakota community corrections association regions on or before August first during each year of the biennium.

SECTION 2. APPROPRIATION - COMMUNITY SERVICE SUPERVISION FUND. Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 3. LEGISLATIVE INTENT. It is the intent of the sixty-fifth legislative assembly that the funds appropriated in section 1 of this Act are considered ongoing funding and that the funds be a part of the office of management and budget's base budget as a separate line item for the 2019-21 biennium.

Approved April 24, 2017

Filed April 25, 2017

CHAPTER 55

SENATE BILL NO. 2242

(Senators Krebsbach, Burckhard, Hogue)
(Representatives Bellew, M. Ruby, Schobinger)

AN ACT to provide an appropriation to Minot state university for capital projects; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from donations and other income, to Minot state university for the capital projects authorized in this section, for the period beginning with the effective date of this Act and ending June 30, 2019, as follows:

Gordon B. Olson Library art center project	\$1,400,000
Herb Parker Stadium air-supported seasonal dome project	634,000
Facilities building parking lot paving and project completion	<u>250,000</u>
Total special funds	\$2,284,000

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved March 24, 2017

Filed March 24, 2017