2017 HOUSE APPROPRIATIONS

HB 1003

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
1/10/2017
Recording Job# 26712

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachment A and B

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063

Wayne Stenehjem, Attorney General, Office of Attorney General: Made introductions of his staff.

Kathy Roll, Financial Administrator, Office of Attorney General: See testimony attachment A.

Representative Nathe: You talk about the timeliness of your information; such as sex offender registration. Can you give me an example?

Kathy Roll: One of the reductions that was made to reach the 10% was a sex offender administrative assistant. With that reduction, we only have one other person that can enter that information.

Representative Nathe: The timeliness is what I'm getting to.

Kathy Roll: If we don't have enough staff, we can't input the information as timely.

Representative Nathe: Would it be delayed by a couple of days?

Kathy Roll: I can get that information for you.

Chairman Brandenburg: The sex offender registration is being reduced by $219,000.00. What was the budget before that? It's the law enforcement line.

Kathy Roll: That's reducing travel that our investigators do throughout the state to help local state law enforcement.

Kathy Roll continued with her testimony.

Representative Nathe: The attorney general and I spoke about tribal gaming auditing activities. With the current protest and auditing the casino down south; is the audit in place? If not, when does it happen?

Wayne Stenehjem: Our gaming division audits the Indian casinos in North Dakota; but, only to assure that they're in compliance with the criminal background checks that are required, to make sure that the slot machines have the proper software and they're operating properly. There is another part of the Indian contacts, this is something that the Governor's office has been in charge of, that's to assure that they have sufficient funding to make sure that they are able to pay their bills as go forward. Also, the 10% that's required to be set aside for economic development and other programs within the tribes is being devoted to that. North Dakota is the only state that doesn't get a cut of the revenue that is realized from the Indian casinos within their states.

Representative Nathe: The question I received and the information I received was that they are out of compliance and there are not enough revenues to pay the winnings. Is that true? Would your audits cover that?

Wayne Stenehjem: That's a separate issue; but I do see that. The last audit was done in July 2016; so there hasn't been one done since these protests have started. I have discussed with the previous Governor the possibility of doing a special audit and see what's going on.

Chairman Brandenburg: There's no doubt that everyone is looking at what happened with the protest; where it's at and where's it's going. It's created a whole different atmosphere from the past.

Wayne Stenehjem: I'm going to talk a little about that.

Kathy Roll continued with her testimony.

Representative Nathe: In regards to the attorneys for university systems; the nine new FTE's. What does that mean? Are we supplying lawyers for each school?

Kathy Roll: That's correct. They were university system employee and the legislature decided to transfer them to our office.

Kathy Roll continued with her testimony.

Vice Chairman Boehning: Are we costing the state money for all the criminal background checks?

Kathy Roll: There are some entities that pay for their own background checks and there are some that do not. It is costing the state.

Vice Chairman Boehning: Do you have a number on that? Are the agencies paying that? Where's that at and how many are we doing?

Kathy Roll: It's a mixed bag. We'd be happy to provide that information to you.

Vice Chairman Boehning: How many of these people have had more than one background check?

Wayne Stenehjem: If you go to another check and maybe you have to get another background check; you have to go through the whole thing again. In the statute there is a listing of all the people who must have criminal background checks.

Vice Chairman Boehning: What is the cost per background check?

Wayne Stenehjem: The cost is $40.00 for state and in additional $22.00 for the federal background check.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: Is there any way for the state to get between that?

Wayne Stenehjem: I have looked. If these were a nonprofit corporation, then the attorney general has plenty of authority under the nonprofit statute and see where the money is coming from. The gofundme.com accounts are something that is new and attorney generals across the country have discussed what you could try to do generally for the people who are giving money. The gofundme people say that they are not a charity or organization; all they do is take money and funnel it through to the place they want it to go.

Representative Kempenich: Isn't that called money laundering?

Wayne Stenehjem: We have been looking at that.

Representative Kempenich: They're funding an illegal activity for the most part.

Wayne Stenehjem: Perhaps. A lot of what is going on is illegal; but the ability to claim that someone gave money had it go somewhere they didn't want it to go is a very difficult thing to unravel. We don't have the staff to do that. We don't have the statutes to back us up on doing that. We haven't had any complaints about money going somewhere it shouldn't have gone.

Representative Kempenich: Are there any statutes that you have identified that need to be strengthened?

Wayne Stenehjem: The attorney generals nationally are looking at what it is with this new phenomenon that we can do as consumer protectors or nonprofits. We've been stymied across the country to figure out how we can do that.

Vice Chairman Boehning: The veteran's groups that came out here were promised certain amounts of dollars to back the protestors. Do they have any standing against the persons that promised them the money?

Wayne Stenehjem: That would depend what the promise was and who made the promise. I know there is a lot of unhappiness with the veterans who feel that they enticed to come to North Dakota under the impression that their expenses, costs and other things would be paid for and are not being paid for; and whether they have standing is for them to worry about.

Representative Nathe: When I campaigned last time all I heard was about the protests. Is there anything we can do to help out? Is there anything you didn't have at your disposal that we can help with? Is there anything we can do to give you more tools to do what these constituents are talking about?

Wayne Stenehjem: There are some criminal statutes that could be improved. We're working on developing legislation that will improve the disorderly conduct; make some of those things that are misdemeanors into felonies; when you're talking about interrupting ongoing commercial operations or what could amount to serious public safety concerns. A lot of these folks were wearing masks. I've been working with Representative Carlson to see if we can come up with a statute that is constitutional that will prohibit people from wearing masks at these protests.

Representative Nathe: They talk about moving them

Dallas Carlson, BCI Director, Office of the Attorney General: Discussed map of protest area.

Wayne Stenehjem continued with his testimony.

Representative Nathe: What has been the impact on your budget with everything that has gone on? With the new administration coming in, have you had any discussions with anyone along those lines?

Wayne Stenehjem: A lot of our agents have been on overtime because they are assisting at the forward operating base. When they're doing this kind of investigative or law enforcement work, we're not doing the other things that we were hoping we'd have our BCI agents involved in. I don't know the answer to the question of what the new administration is going to do. The administration is two weeks from taking office and the cabinet members have not been selected. Whether the final permit will be issued is one question and then what will happen then; because I would expect the level of activity will intensify and we will have even more problems.

Representative Kempenich: I've watched some of these videos and there are issues all the way along there. There is such an undercurrent of different issues going on. Those types want a confrontation.

Wayne Stenehjem: You're absolutely right. We see on social media some things are really frightening where you hear that people are ready to give up their lives in exchange for this.

Wayne Stenehjem continued with his testimony.

Representative Nathe: When you talk about everything that's happening in the camps and ND law enforcement is not allowed in there, is BIA in there?

Wayne Stenehjem: They're in there a little bit. There are not enough of them and there are not enough federal agents. This is a problem that the federal government has created or exasperated. All of these camps are on sites that have not been permitted. The corp of engineers has not received a permit on any of those areas. It's something that we're looking at for potential litigation and perhaps asking that the federal government pay our costs; because they have permitted folks to be on this army corp of engineer land where nobody has a permit to be.

Representative Kempenich: I dropped a bill asking for $22 million.

Wayne Stenehjem: We're looking at all the potential ways we can to get the money back. We're not ready to announce anything right now. I think it's a federal responsibility and I think they should reimburse us at least for the out of pocket.

Wayne Stenehjem continued with his testimony.

Vice Chairman Boehning: Has he plead guilty?

Wayne Stenehjem: They've filled out a pre-sentence report and that will be forwarded.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: With their physical age and stated age of these immigrants; is there any way to prove age?

Wayne Stenehjem: Even if he was 17 the court would say you could take that.

Representative Kempenich: There is a problem with the age business and how the law works.

Wayne Stenehjem: It's not so much that but false identity; pretending that they're someone else. That's where the fingerprint programs come in handy. You can't pretend you're someone else if your fingerprint is in the system.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: Last session you brought up that it was a long wait time for the forensic scientist to testify.

Edward Aarnold, Crime Lab Director, Office of the Attorney General: That is an issue; we do try to accommodate the court schedule as best we can. We have looked at doing

some other options; such as testifying through an IVN system. That's something that we need to work out with the courts as well.

Representative Nathe: Do you also do toxicology? Does it take awhile because we're short of staff or is that just the process?

Edward Aarnold: We do some of those samples. The state pathologists and medical examiners have special requirements that they like to see with some of those samples. They do have laboratories that they will submit their samples to; in addition to ours. It becomes an issue with identifying specific agents within a sample and looking at them further to quantitate levels; which currently we don't have the capacity to do at our laboratory. If it's a driving related fatality, we will look at those samples and examine those. We do try to turn those samples within 7 to 14 days.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: How many of those go unreported?

Wayne Stenehjem: They are out of the country; they are unable to be tracked. Once you send money by Western Union or those green dot money cards; you need that number on the back of the card and that money is immediately transferred to them and there's no way to get it back. A lot of these are operating in Nigeria or the Caribbean where we don't have strong extradition treaties.

Wayne Stenehjem continued with his testimony.

Vice Chairman Boehning: What about Google Ad words. How do you stop them?

Wayne Stenehjem: Never call those numbers. That's the best advice. Never agree to do anything over the telephone when you didn't initiate the call.

Vice Chairman Boehning: Recessed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
1/10/2017
Recording Job# 26730

☐ Subcommittee
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Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachment A and B

Chairman Brandenburg: Re-opened the hearing on HB1003 and HB1063

Wayne Stenehjem continued with his testimony. See attachment A.

Representative Kempenich: Is that distributed across the state? Do you track by gender and race?

Wayne Stenehjem: Yes.

Representative Kempenich: Do you have those statistics of that?

Wayne Stenehjem: It's all on the uniform crime report.

Wayne Stenehjem continued with his testimony.

Representative Nathe: What is the cost for the six BCI agents?

Wayne Stenehjem: I'll get that for you. There is a cost per agent and then there is all the support things every agent needs.

Representative Nathe: Are these current agents?

Wayne Stenehjem: There are two vacancies that we are in the process of filling and then four positions.

Vice Chairman Boehning: In your statistics for criminal investigation cases, does that include the reservations or not?

Wayne Stenehjem: No. The reservations are typically investigated by the FBI and the BIA.

Vice Chairman Boehning: Do we have any statistics on where they're sitting?

Wayne Stenehjem: We don't keep track of that except for the homicides. We keep track of all the homicides around the state of North Dakota. Those figures would be contained in the federal FBI reports that are similar to what we do.

Vice Chairman Boehning: The number of homicides were included in the seventeen?

Wayne Stenehjem: We've had a couple this year. Typically, we're at the low end of the nation on homicides; but that number is trending up.

Wayne Stenehjem continued with his testimony.

Vice Chairman Boehning: Who is lacing the heroin? Is it coming from the border from the South? Is it coming here in another form and then it gets done here?

Wayne Stenehjem: These cases are much more complicated. This is all manufactured in a laboratory. It's very difficult to trace it down; but most of it is coming Asia and then it works its way up through Mexico or down through Canada.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: It's expensive to combat the problem. Are people looking at this that they can do this and get by?

Wayne Stenehjem: We hear tell of people that get together and someone is like the designated driver; they're the ones with the Narcan. That is a drug that counteracts the effects of heroin and Fentanyl. You can bring someone who goes into overdose back. We have now provided Narcan to all of our agents; not just so they can help people who are overdosing but to prevent an accidental overdose of themselves when they come across Fentanyl. Fentanyl is a legal substance; it's used by the medical community for alleviation of intense pain, especially for people at the end of life for people who are suffering from cancer and other things. It has a medical use; but it's manufactured under carefully controlled clinical operations.

Representative Brabandt: What is the chemical makeup of Fentanyl?

Wayne Stenehjem: I don't know that. One of our scientists has worked on that.

Wayne Stenehjem continued with his testimony.

Vice Chairman Boehning: What is the street price for heroin? Is it expensive?

Lonnie Grabowski, Deputy Director BCI, Office of Attorney General: The cost right now for heroin for the average person is about $120.00 to $150.00; that would be "white" and it's

coming from the Middle East over to Minneapolis. The Fentanyl is mixed in as cutting agent to make it a better product on the street. You may get one grain of Fentanyl per gram of heroin.

Vice Chairman Boehning: You're talking about $120.00 per one use?

Lonnie Grabowski: Yes. They take that amount and put it onto a spoon or into a smoking device. You're going to get three or four different hits off of that gram amount.

Vice Chairman Boehning: Is that more of a daily amount? Are we going to see these other crime rate numbers escalate?

Wayne Stenehjem: You already are. A lot of the crime that we're seeing; the burglaries, are related to people trying to find the money to support their drug habit.

Chairman Brandenburg: I'm looking at these doses; that's why people are dying because they don't know what they're throwing into this. Is that a fair assessment?

Wayne Stenehjem: How would you know what you really put in.

Representative Delmore: We're also having trouble with treatment programs for so many people. Does your office do some of the work with that?

Wayne Stenehjem: I was on the alternative to incarcerations commission and one of the things we need to look at is to make sure we're dealing with this with three prongs: an educational process, law enforcement and treatment options. We don't deal with the treatment except from a policy standpoint. There are about 1,700 people who are in the penitentiary; not the county jails. On the trend we're going, within seven to nine years, that number is going to double.

Representative Delmore: The treatment programs have been pretty effective; but that's a large price to pay for those. Priorities have to be set with some of that and we have to decide what the best approach is.

Wayne Stenehjem: This is going to be one of the top policy issues you are going to deal with this time and years going forward.

Wayne Stenehjem continued with his testimony.

Vice Chairman Boehning: Where can these sex offenders all register? Can they go to the county sheriff?

Wayne Stenehjem: They go locally to the county law enforcement agency. They transfer the information to us and we put it into our system.

Vice Chairman Boehning: Can they call in also or do they have to come in in person?

Wayne Stenehjem: We want to know it's them. We require identification so we can make sure it's them and not someone else calling in on their behalf.

Representative Kempenich: How often do they have to check in?

Wayne Stenehjem: They have to check in when they're released from custody, if they move into the state of North Dakota, if they change their residence, enroll or drop out of school, loose a job or if they move somewhere.

Representative Kempenich: How soon after they move are they required to check in?

Wayne Stenehjem: Three days. If they're moving, it's three days before they move.

Wayne Stenehjem continued with his testimony.

Representative Nathe: When do those payments end?

Wayne Stenehjem: They go on until perpetuity.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: So it could be from traffic issues all the way up to murder?

Wayne Stenehjem: It can be. This is one of the big problems we have because we have to determine who is a victim. If you're in a car accident you might not know you're a victim until they find out the person who hit you was drunk.

Representative Nathe: Is that just one-time cost?

Wayne Stenehjem: Yes.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: There's an article in the Forum that Minnesota only had 4,900 cases of medical marijuana. The way the law is written, we could beat Minnesota; they have a tighter law than we have.

Wayne Stenehjem: If I had my druthers, I would say to adopt the Minnesota law. They don't allow law; they don't allow you to smoke it and they have a little bit more control. The problem is that you don't have any control over the frequency or the potency of the product that someone is going to be getting.

Representative Nathe: What are the financial implications to your office with medical marijuana?

Wayne Stenehjem: It could be enormous.

Representative Nathe: Do you have a number yet?

Wayne Stenehjem: No. We provided some information for the fiscal note that was required. Depending on what you wind up doing with that measure, there's a lot of things that are concerning law enforcement.

Vice Chairman Boehning: If I have a prescription for medical marijuana and I work for an employer that does drug testing and doesn't allow that. What is the ramifications? Can they fire me or not?

Wayne Stenehjem: Anyone who comes to my place of employment high is going to be talking to a human resources person. We certainly won't hire anyone. It is a violation of federal law to have marijuana or distribute it. The current administration decided they weren't going to enforce it; but the laws are on the books. I suspect we'll see that change.

Vice Chairman Boehning: If you smoke it on the weekend, it's probably going to be their for 30 days. We'll probably run into a lot of situations where somebody is going to have it in their system; they get into a job site accident, who is liable? I would say the owner of the company would be liable.

Wayne Stenehjem: We are a drug free work place.

Chairman Brandendburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
1/13/2017
Recording Job# 26864

☐ Subcommittee
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Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachments A through C

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063.

Wayne Stenehjem, Attorney General, Office of the Attorney General: Continued with his testimony from January 10, 2017. See attachment A from that hearing; recording job# 26712.

Representative Vigesaa: What part of the legislation we've passed do you feel has the most effect on these numbers?

Wayne Stenehjem: I think that the increased penalty, the increased public awareness that the legislature intended that they would be serious about driving under the influence has been very helpful. The 24/7 Program says that anyone that is out on bail for a second or subsequent DUI offense or convicted for a second or subsequent DUI offense has to be on the 24/7 Program. The court orders that the defendant may not consume any alcohol if they're on the program and to ensure that they are incompliance with the terms of their order, they have to go in twice a day to be tested. If they are not in compliance, they are taken into custody and go back to the judge for an explanation of what it is they have done. We also have a number of the ankle bracelets that people have an option to lease at their expense.

Representative Vigesaa: Do we have to have law enforcement present there?

Wayne Stenehjem: There has to be law enforcement present; because if they don't pass the test, you wait 15 minutes and take another test. Then they have to be taken into custody. The reason I think it works is that the consequences certain and immediate.

Vice Chairman Boehning: I heard this week in Austin Texas that the city kicked out Uber. When Uber came in they saw their DUI rates go down. In the little while that Uber has been gone, they've seen their DUI rates increase. Have you looked at any of those correlations?

Wayne Stenehjem: We haven't done any studies of our own. There aren't many communities in North Dakota that have Uber. It seems to me very logical that it is the kind of thing that will work.

Representative Nathe: Have you had a chance to brag about how this has worked?

Wayne Stenehjem: Yes. We have promoted it.

Representative Nathe: Do we have any other legislation coming up this session to tweak this?

Wayne Stenehjem: It's very important that we don't tinker with this too much. One of the things you did was to give my office the authority to promulgate what the rules are.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: WSI has a fraud unit that we put together. I was wondering what guidelines we have to work with?

Wayne Stenehjem: We'll be happy to work with you on whatever it is you want to do. The federal does require a dedicated Medicaid control fraud unit.

Wayne Stenehjem continued with his testimony.

Representative Nathe: How do you envision this fraud unit developing? What would you need, the number of people and cost?

Wayne Stenehjem: You need to have the staffing. You need to have a statute that allows you to set forth the criteria under which it operate. There's a bill in to work with that. The first three years the costs are paid at 90% by the federal government. After that it's a reduced percentage. You also get to claim and keep a certain percentage of the money that you claim and that you are able to recover. In most states they operate under a net gain not a cost.

Representative Nathe: So in other states it's paid for itself through time?

Wayne Stenehjem: Right.

Representative Nathe: Would you be looking at one investigator or multiple?

Wayne Stenehjem: Two.

Chris Kadrmas, Fiscal Analyst, ND Legislative Council: I can give you an idea of what was requested last biennium. As for the breakup of the actual FTE's; I don't remember what that was. But it was for four FTE's and would include $95,539.00 from the general fund; which is 10%. Then $841,855.00 which is federal; for a total of $935,394.00.

Wayne Stenehjem continued with his testimony.

Representative Kempenich: Do you bill the system on those lawyers?

Wayne Stenehjem: There is an assessment.

Wayne Stenehjem continued with his testimony.

Representative Nathe: In regards to background checks. If you did a background check on me, would that kick anything out if someone is using my identification or my numbers that I don't know about?

Wayne Stenehjem: I don't know. That may be possible. That may be the way you find out that someone has stolen your identity.

Kathy Roll, Financial Administrator, Office of the Attorney General: See testimony attachments B & C.

Vice Chairman Boehning: Are the agencies paying this? Is this all coming out of your budget?

Kathy Roll: It's a mixed bag. All of our identification technicians are paid by the state. The record check fees are deposited to the general fund.

Vice Chairman Boehning: All of the agencies are basically paying you then to do the record check and then it just comes back to the office then.

Kathy Roll: Not all of them. For law enforcement, we don't have any charge for that.

Chairman Brandenburg: The operating expense appropriation is at $24 million on HB1003. On the governor's it's $17 million on HB1063. What is going on there?

Kathy Roll: The bulk of that consists of two things. For the 24/7 Sobriety Program, we have a continued appropriation. We had also budgeted for that in our budget; and that was about $6.3 million. We just removed that; it doesn't make sense to have it budgeted and also have a continued appropriation. The second part was information technology projects that have come to an end. That's the $7.6 million difference. The actual appropriation between HB1003 and HB1063 of $17 million is the same.

Chairman Brandenburg: Your explanation says that $17 million is the right number.

Kathy Roll: That's correct.

Representative Nathe: On the green sheet in regards to the tobacco settlement trust fund, it identifies $200,000.00 for tobacco settlement trust fund for the attorney general's office for the purpose of enforcing the master settlement agreement. Is that something that is appropriated biennium? Is it something new?

Kathy Roll: The $200,000.00 comes out of the monies from the tobacco master settlement agreement. Last session, we asked and the legislature approved having money come directly from that fund. What we did in the past was we were using what funds we had and then going to the emergency commission.

Representative Nathe: This is just a continuation of last session?

Kathy Roll: That's correct.

Chairman Brandenburg: I see you have 16 FTE's that you're reducing.

Kathy Roll: Our 10% general fund reduction eliminated four positions. The rest of the positions; the additional twelve, were eliminated in the executive recommendation.

Representative Kempenich: We're going to have to work backwards into this. I think what's going to happen is that we'll go where we can with the ongoing and try to fill back in with one-time.

Kathy Roll: There are also gaming audit equity monies; those come from other funds. If you would make those a regular part of the budget.

Representative Nathe: The reduction of the Attorney General Sobriety Fund of about $6.3 million; there's about a 92% decrease. Can you explain that to me?

Kathy Roll: The reason that we reduced that $6.3 million was because we have a continuing appropriation for the 24/7 Sobriety Program. At the time we requested it in our budget, we didn't have that authority.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
1/23/2017
Recording Job# 27192

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachments A through F

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063.

Wayne Stenehjem, Attorney General, Office of the Attorney General: Gave an introduction to the handouts. See testimony attachment A.

Kathy Roll, Financial Administrator, Office of Attorney General: See testimony attachment A.

Chairman Brandenburg: But it does increase?

Kathy Roll: Yes.

Representative Kempenich: These aren't the trials. These are just the arrests?

Kathy Roll: It's the arrests.

Kathy Roll continued with her testimony. See attachments B and C

Representative Delmore: Do you have any idea how the changes with Marsy's Law is going to effect the numbers we have here? Do you think that will become a part of more notifications; simply because of how it's written?

Wayne Stenehjem: We do think that because of Marsy's Law there will be more people who are victims who are notified of their rights. They will take advantage of notifications on SAVIN. Our program for SAVIN was never set up for Marsy's Law. The number of notifications have gone up. There are a number of courts that do not use SAVIN. For example, municipal courts are not connected to SAVIN. The juvenile courts are not connected to SAVIN.

Vice Chairman Boehning: Just looking at the SAVIN, in 2010 it went from 6,500 and in 2016 it's at 56,000. Have we passed some legislation that really caused that number to go up?

Wayne Stenehjem: You did. That started when SAVIN was first enacted in 2009. These are just people who are entitled to notification of when there are court proceedings or the person they're following is let out of jail or has a court date coming up. Thousands of people are signed up because they want to know what's happening with a particular offender.

Vice Chairman Boehning: What counties are included in the Williston basin?

Wayne Stenehjem: That includes the 19 oil producing counties.

Kathy Roll continued with her testimony. See attachment D.

Chairman Brandenburg: So you have right around $2 million that you're taking off?

Kathy Roll: That's correct.

Kathy Roll continued with her testimony. See attachment E.

Chairman Brandenburg: For the federal funds you're looking at you're going to have those funds?

Kathy Roll: We do.

Chairman Brandenburg: So the two together is about $130,000.00?

Kathy Roll: That's correct.

Kathy Roll continued with her testimony.

Representative Delmore: What does CJIS mean?

Kathy Roll: That's Criminal Justice Information Sharing.

Representative Kempenich: How did they come up with $529.00?

Kathy Roll: The industrial commission prepares an amortization schedule. For next biennium, it goes up by $529.00; that was included in the base budget.

Chairman Brandenburg: You have live bodies that you have to fund also. You have some that have one-time money or federal funds; and hopefully those have been taken care of so you can reposition them, remove them or reshuffle them, so we don't have some people are depending this one-time funding become full-time funding.

Kathy Roll: We have covered all of our other fund or special fund positions and our federal fund positions.

Vice Chairman Boehning: How much do we currently spend auditing the casinos?

Wayne Stenehjem: We do the auditing of a certain portion of the Indian gaming operations; but they reimburse us for everything.

Representative Kempenich: We added people from the university system. Are you billing back that? Is that something we have to take from general funds?

Kathy Roll: We aren't billing back to them. We've been able to cover that in our budget.

Wayne Stenehjem: There are more lawyers than we have now; it's worked well.

Representative Nathe: To audit the casino for the gaming compact and you said the executive branch would have to request that; do they pay for that out of their executive branch budget?

Wayne Stenehjem: No. It comes from the casinos. They pay the cost and it's a private auditing firm that does the audits.

Kathy Roll: It's $394,000.00 per biennium and that's all reimbursed to us from the tribes.

Vice Chairman Boehning: On the 24/7 Program, we had other funds before. Where are we getting that money from now to fund that?

Kathy Roll: The participants in the program pay for the cost of the bracelets. That's where that money comes from. We have it deposited into the 24/7 Sobriety Fund.

Vice Chairman Boehning: That's quite a lot of money; $6 million.

Kathy Roll: That was a high amount.

Vice Chairman Boehning: How many bracelets do we have out there now days?

Wayne Stenehjem: We have about 900 that are out in the field.

Representative Nathe: On the green sheet on line 7, there is reduced funding for four current agents and two new additional. Is that right? That would eliminate all six or just the two new ones?

Kathy Roll: In the event that that would happen, we would go through a reduction in force process. We'll look at how they're performing and some other factors; and make the decision as to which positions get cut. Two of them are currently vacant to meet the general fund allotment; and then the others are live bodies.

Representative Nathe: That $219,000.00 is that reflective of eliminating the four current agents?

Kathy Roll: It is not.

Representative Nathe: What will it cost to keep the current agents so we don't lose them?

Kathy Roll: I think it was $900,000.00 for all six.

Representative Nathe: I want to know what it costs to keep the four?

Kathy Roll: I can get that for you.

Representative Nathe: Are you familiar with what Governor Burgum's new numbers are? Has there been any discussion with your agency at all?

Kathy Roll: We have not seen it.

Chairman Brandenburg: Closed the hearing.

Attachment F was also given as testimony but was not discussed.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
2/3/2017
Recording Job# 27880

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes:

Attachment A

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063.

Wayne Stenehjem, Attorney General, Office of Attorney General: See testimony attachment A.

Representative Kempenich: Would you want to write up something to put in as a section on your bill?

Wayne Stenehjem: We're always looking for grants that we can utilize and who knows what's going to happen on the federal level.

Representative Kempenich: The priorities are here as we go.

Wayne Stenehjem: The two BCI agents and the DNA analyst are critical to us. We aren't going to be able to provide the service that people are demanding.

Representative Vigesaa: You reduced operating by $891,000.00. Can you give us the two or three top areas that you looked at when you reduced operating?

Kathy Roll, Financial Administrator, Office of the Attorney General: We reduced rent where we could, some travel and some IT projects.

Chairman Brandenburg: There are some things that need to be worked out and once they have been, that might free some money.

Representative Delmore: We talked about the Medicaid Fraud unit. Can you fill me in where that fits now?

Wayne Stenehjem: There are a couple of bills that deal with Medicaid fraud; that's not a part of anything in our budget. I'm not sure where leadership is on whether we're going to do that. We have been told by the federal government that our exemption from that is over. They're expecting within 60 days that we come up with a plan. For the first three years 90% of the funding comes from the federal government and you also get to put into the general fund a percentage of what is reclaimed.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
2/6/2017
Recording Job# 27957

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachments A through C

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063.

Representative Kempenich: Explained the changes to the budget. See attachments A through C

Chris Kadrmas, Fiscal Analyst, ND Legislative Council: Explained changes to the budget. See attachments A and B.

Representative Kempenich continued with his explanation.

Kathy Roll, Financial Administrator, Office of the Attorney General: You need to keep that section in there.

Representative Kempenich: Is that carry over money? It's the strategic investment improvement fund.

Kathy Roll: That relates to law enforcement grant money that we originally received in the 2013-2015 biennium. We have a small amount that we are using to fund an intelligence analyst position for next biennium.

Representative Kempenich: Is that money you have or does that need to be appropriated?

Kathy Roll: It's money we already have in our budget, it's just the authority to carry it forward.

Representative Kempenich: Section 5 is to retain the balance of the refund fund?

Kathy Roll: That's correct.

Kathy Roll: I was wondering about the difference between the $45 million and the $43.8 million.

Chris Kadrmas: The $44 million in general fund and the difference that I show is the 1% salary.

Representative Kempenich: We could stick those two FTE's back in.

Chris Kadrmas: If it was the committee's desire to make it an even $44 million, we could just add the $181,429.00; which would reduce the $2.1 million additional reduction.

Representative Kempenich: Why don't we do that then.

Chris Kadrmas: The $2.1 million would change to $1,920,852.00 as a reduction and that would give you a general fund total of $44 million. The other funds would stay the same. The total for the agency would end up being $73,601,119.00.

Representative Kempenich: Made a motion to move section 3, Attorney General's Office – Legislative Management Report.

Representative Vigesaa: Seconded the motion.

Voice Vote made.

Motion Carried.

Chairman Brandenburg: Explained what the changes to the bill would be.

Representative Vigesaa: Made a motion to move the rest of the amendments.

Representative Nathe: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Delmore: Made a motion (inaudible).

Representative Vigesaa: Seconded the motion.

The motion was made but no voice or roll call vote was made on this motion.

Representative Vigesaa: Made a motion for a "Do Pass as Amended".

Representative Brabandt: Seconded the motion.

Roll Call Vote: 7 Yeas 0 Nays 0 Absent

Motion Carried.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division
Medora Room, State Capitol

HB1003
2/8/2017
Recording Job# 28051

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Sheryl Lewis

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachments A and B

Chairman Brandenburg: Opened the hearing on HB1003 and HB1063.

Representative Delmore: Made a motion to reconsider her motion.

Representative Vigesaa: Seconded the motion.

Voice Vote made.

Motion carried.

Alex Cronquist, Fiscal Analyst, ND Legislative Council: Explained changes from section 5.

Representative Kempenich: It was brought up on the amendment that we added yesterday.

Representative Kempenich: Made a motion to move amendment 17.0488.01001.

Representative Nathe: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Kempenich: Made a motion to further amend section 5 of the bill.

Representative Vigesaa: Seconded the motion.

Voice Vote made.

Motion Carried.

Representative Kempenich: Made a motion for a "Do Pass as Amended".

Representative Nathe: Seconded the motion.

Roll Call Vote: 7 Yeas 0 Nays 0 Absent.

Chairman Brandenburg: Closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1003
2/14/2017
28351

☐ Subcommittee
☐ Conference Committee

Emineth

Explanation or reason for introduction of bill/resolution:

Minutes:

Chairman Delzer: Call the committee back to order We are going to starting 17.0488.01002.

Representative Kempenich: This budget has grown from 2013 to 2015. In 2013 we at 38 million and in 1315 biennium we added some more responsibilities, more BCI agents to it and wound up over 40 million. This last biennium we added some more responsibilities, BCI agents and then took on responsibilities of the higher education attorneys and moved it up to just about 65 million dollars is what we had originally. We moved it down a little bit now we can see that on the front page.

Chairman Delzer: They use that for legal. Why was not in the actual base line bill?

Representative Kempenich: Yes, that is what it is. Up until this time it has been that has been one-time money that we identified in the past. That is how it reads today that is what section 4 is doing. (3:36) Section 5 was added and the committee can decide how they want to approach this. What it does is give the attorney general office the ability of any funds that show up during the biennium to put back into the budget.

Chairman Delzer: Brady normally anything coming in over 50,000 it has to go the emergency commission.

Brady Larson: LC That is correct.

Chairman Delzer: I think there should be a trail and approved by the legislative body.

Representative Kempenich: What was brought up in committee was a timing factor.

Chairman Delzer: We do meet quarterly I don't think it would make that much difference.

Representative Kempenich: We thought we'd out it in and let the committee decide how we want to take care of that issue. Number 6 is exemption on the strategic investments fund that is some money that is for law enforcement grants.

Chairman Delzer: What is they go 20 million dollars? I am uncomfortable with giving them a blank check.

Representative Monson: This gives them to get the money and to spend it?

Chairman Delzer: The way I read it they can spend any that they get.

Representative Boehning: Could we just put a dollar amount in there and give them some freedom but everything else they would have to come back to us.

Chairman Delzer: Are you talking a total of 250,000 over one pot or collectively?

Representative Boehning: Anything over that 250,000 anything over that they would have to have to come and …

Chairman Delzer: As soon as they hit 250,000 then they would have to come get ..,

Representative Monson: I am thinking it's not a whole lot but in some budget we gave authority up to a certain level. We gave them a certain number so they could get the money and spend it up to that level.

Chairman Delzer: 250 is quite a bit It's not like they can't get it; they would have to the budget section.

Brady Larson: LC You would have to go through the emergency commission.

Chairman Delzer: That always makes it quite a budget section. I would think that should be put in there. Does everyone have page 2 now?

Representative Kempenich : Page 2 is dealing with carry over money that we had from the Section 6 is page two a dealing with the carry over SIIF money. There is still some funds there for law enforcement grants

Chairman Delzer: Brady that's just a two-year deal?

Brady Larson: Correct.

Chairman Delzer: Do you know how much money is in the SIIF that they have not spend. there is?

Representative Kempenich: I would think this will be the last session. We have carried this money forward this was supposed to be spend.

Chairman Delzer: I don't know where we funded it but I know a lot of grants through the local law enforcements and a lot of them used it to buy auto weigh outfits is this the same money?

Representative Kempenich; I am not sure.

Representative J. Nelson: 13:00 How much is in the fund?

Chis kadrmas: LC: There is139,929.00 remaining in there for carry over.

Representative Kempenich: We get into the basic budget salaries and wages 0-0 itself, the changes are some removal of some FTEs. The operating expense that came in; we gave them a number to work with. The Dalrymple budge they removed 6 million dollars on the 24-7 sobriety program. Going through the rest of it they removed 19 FTEs
Right now there are 15 vacant positions. We removed 3 FTEs more than the Dalrymple budget.
Basically we moved a lot of money around in special funds and the rest they will have to manage with what we left them.
You will see the health insurance; these are all special funds for the most part now.

Chairman Delzer: Are there any questions?

Representative Kempenich: Make a motion to amend 17.0488.01002 with the added of 250 thousand in section 2

Representative Boehning: Seconded the motion.

Chairman Delzer: We have a motion made to amend 171003 with 01002 as written with the inclusion of over $250,000 to the emergency and budget section under section 5 made by Rep. Kempenich and seconded by Rep. Boehning.

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Representative J. Nelson: Can you speak about the 24-7 removal of the sobriety program?

Representative Kempenich: It not a removal it is a reducing of funding.

Chairman Delzer: The usage of it down?

Representative J. Nelson: That is one of the most successful programs, is the use going up because of the cost of the bracelets?

Representative Kempenich: We are not removing the program we are just reducing it, with less upfront costs.

Representative J. Nelson: The person that is charged with the DUI offense pays for the cost?

Representative Kempenich: We didn't get into the amount of the cost Governor Dalrymple actually had removed this.

Representative Sanford: You mentioned the transferred from higher ED, was there savings reflected from that?

Representative Kempenich: Yes, that is included from that. We didn't get into the specifics and I know there was some name of FTEs this is what the Dalrymple proposal was about.

Chairman Delzer: further questions? All in favor of amending HB 1003 with 01002 with the suggested changes in section 5. Voice vote all in favor motion carried.

Representative Kempenich: The increased number of 24 sobriety program participants to 14,712 of 9,44 had completed successfully. I will make a motion for a do pass as amended.

Representative Nathe: Second that motion.

Chairman Delzer: We have a motion for a do pass as amended on HB 1003 amended with 01002 with the change to section 5. Discussion?
Roll call taken Yes 20 No 0 Absent 1

Floor Assignment Rep. Kempenich

Any additional funding to be received and expended

SECTION 3. APPROPRIATION – ATTORNEY GENERAL'S OFFICE - LEGISLATIVE MANAGEMENT REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 of any funding made available pursuant to this section.

17.0488.01001
Title.

Fiscal No. 2

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations Division Committee
February 8, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month."

Page 2, after line 14, insert:

"**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. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 of any funding made available pursuant to this section.

SECTION 6. 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 7. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
General fund	$48,466,861	($4,466,861)	$44,000,000
FTE	250.00	(19.00)	231.00

Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Health Insurance Increase[2]	Removes 19 FTE Positions[3]	Changes Funding Source for 8 FTE Positions[4]	Underfunds Salaries and Wages[5]	Removes Spending Authority for the 24/7 Sobriety Program[6]
Salaries and wages	$787,933	$606,804	($702,021)		($929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						

Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Total all funds	$584,085	$695,462	($1,147,227)	$0	($929,297)	($6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	($522,049)	$637,105	($1,086,505)	($1,120,322)	($929,297)	$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

	Reduces Funding for Operating Expenses[7]	Reduces Funding for Criminal Justice Information Sharing[8]	Removes Funding for Abortion Litigation Fees[9]	Adjusts Base Level Funding[10]	Total House Changes
Salaries and wages					($236,581)
Operating expenses	(1,787,768)			(364,241)	(8,527,581)
Capital assets				403,185	403,185
Grants				677,341	677,341
Litigation fees				100,000	100,000
Intellectual property attorney					8,808
Abortion litigation fees			(400,000)		(400,000)
Medical examinations					
North Dakota lottery					55,989
Arrest and return of fugitives					
Gaming commission					
Criminal justice information sharing		(480,223)			(764,019)
Law enforcement				(209,510)	(550,907)
Total all funds	($1,787,768)	($480,223)	($400,000)	$606,775	($9,233,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	(4,766,904)
General fund	($590,548)	($188,741)	($400,000)	($266,504)	($4,466,861)
FTE	0.00	0.00	0.00	0.00	(19.00)

[1] Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

[2] Funding is added for increases in health insurance premiums from $1,130 to $1,249 per month.

[3] Total funding of $1,147,227, of which $952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget ($1,013,227) and the removal of an additional 3 FTE positions ($134,000).

[4] The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation ($262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation ($857,555).

[5] General fund salaries and wages are underfunded.

[6] North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of $6,375,572 in special funds authority is removed for the 24/7 sobriety program.

[7] Funding is reduced for operating expenses.

[8] Reduces funding for criminal justice information sharing to provide total funding of $3,391,562.

[9] Removes funding for abortion litigation fees.

[10] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces law enforcement funding	($219,348)		($219,348)
Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Adjusts equipment funding	(194,388)	606,882	412,494
Increases funding for Crime Laboratory bond payment	529		529
Total	($266,504)	$873,279	$606,775

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify $200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Adds a section appropriating any additional federal or other funds income which may become available to the Attorney General for the purposes of the office and requires the Attorney General to report to the Office of Management and Budget regarding any additional income made available.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

17.0488.01002
Title.

Fiscal No. 3

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations Division Committee
February 8, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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Litigation fees	50,000	100,000	150,000
Intellectual property attorney	418,323	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month."

Page 2, after line 14, insert:

"**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. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 6. 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 7. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
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Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
General fund	$48,466,861	($4,466,861)	$44,000,000
FTE	250.00	(19.00)	231.00

Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Health Insurance Increase[2]	Removes 19 FTE Positions[3]	Changes Funding Source for 8 FTE Positions[4]	Underfunds Salaries and Wages[5]	Removes Spending Authority for the 24/7 Sobriety Program[6]
Salaries and wages	$787,933	$606,804	($702,021)		($929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						

Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Total all funds	$584,085	$695,462	($1,147,227)	$0	($929,297)	($6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	($522,049)	$637,105	($1,086,505)	($1,120,322)	($929,297)	$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

	Reduces Funding for Operating Expenses[7]	Reduces Funding for Criminal Justice Information Sharing[8]	Removes Funding for Abortion Litigation Fees[9]	Adjusts Base Level Funding[10]	Total House Changes
Salaries and wages					($236,581)
Operating expenses	(1,787,768)			(364,241)	(8,527,581)
Capital assets				403,185	403,185
Grants				677,341	677,341
Litigation fees				100,000	100,000
Intellectual property attorney					8,808
Abortion litigation fees			(400,000)		(400,000)
Medical examinations					
North Dakota lottery					55,989
Arrest and return of fugitives					
Gaming commission					
Criminal justice information sharing		(480,223)			(764,019)
Law enforcement				(209,510)	(550,907)
Total all funds	($1,787,768)	($480,223)	($400,000)	$606,775	($9,233,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	(4,766,904)
General fund	($590,548)	($188,741)	($400,000)	($266,504)	($4,466,861)
FTE	0.00	0.00	0.00	0.00	(19.00)

[1] Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

[2] Funding is added for increases in health insurance premiums from $1,130 to $1,249 per month.

[3] Total funding of $1,147,227, of which $952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget ($1,013,227) and the removal of an additional 3 FTE positions ($134,000).

[4] The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation ($262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation ($857,555).

[5] General fund salaries and wages are underfunded.

[6] North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of $6,375,572 in special funds authority is removed for the 24/7 sobriety program.

[7] Funding is reduced for operating expenses.

[8] Reduces funding for criminal justice information sharing to provide total funding of $3,391,562.

[9] Removes funding for abortion litigation fees.

[10] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces law enforcement funding	($219,348)		($219,348)
Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Adjusts equipment funding	(194,388)	606,882	412,494
Increases funding for Crime Laboratory bond payment	529		529
Total	($266,504)	$873,279	$606,775

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify $200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Adds a section appropriating any additional federal or other funds income which may become available to the Attorney General for the purposes of the office and requires the Attorney General to report to the Office of Management and Budget and the Legislative Council regarding any additional income made available.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

17.0488.01003
Title.02000
Fiscal No. 4

Prepared by the Legislative Council staff for
House Appropriations Committee
February 17, 2017

SAE 2/17/17 1 of 4

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget and the legislative council"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month."

Page 2, after line 14, insert:

"**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. 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 6. 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 7. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Additional income appropriation		250,000	250,000
Total all funds	$83,714,313	($8,983,765)	$74,730,548
Less estimated income	35,247,452	(4,516,904)	30,730,548
General fund	$48,466,861	($4,466,861)	$44,000,000
FTE	250.00	(19.00)	231.00

Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Health Insurance Increase[2]	Removes 19 FTE Positions[3]	Changes Funding Source for 8 FTE Positions[4]	Underfunds Salaries and Wages[5]	Removes Spending Authority for the 24/7 Sobriety Program[6]
Salaries and wages	$787,933	$606,804	($702,021)		($929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Additional income appropriation						

Total all funds	$584,085	$695,462	($1,147,227)	$0	($929,297)	($6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	($522,049)	$637,105	($1,086,505)	($1,120,322)	($929,297)	$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

	Reduces Funding for Operating Expenses[7]	Reduces Funding for Criminal Justice Information Sharing[8]	Removes Funding for Abortion Litigation Fees[9]	Adjusts Base Level Funding[10]	Additional Income Appropriation[11]	Total House Changes
Salaries and wages						($236,581)
Operating expenses	(1,787,768)			(364,241)		(8,527,581)
Capital assets				403,185		403,185
Grants				677,341		677,341
Litigation fees				100,000		100,000
Intellectual property attorney						8,808
Abortion litigation fees			(400,000)			(400,000)
Medical examinations						
North Dakota lottery						55,989
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		(480,223)				(764,019)
Law enforcement				(209,510)		(550,907)
Additional income appropriation					250,000	250,000
Total all funds	($1,787,768)	($480,223)	($400,000)	$606,775	$250,000	($8,983,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	250,000	(4,516,904)
General fund	($590,548)	($188,741)	($400,000)	($266,504)	$0	($4,466,861)
FTE	0.00	0.00	0.00	0.00	0.00	(19.00)

[1] Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

[2] Funding is added for increases in health insurance premiums from $1,130 to $1,249 per month.

[3] Total funding of $1,147,227, of which $952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget ($1,013,227) and the removal of an additional 3 FTE positions ($134,000).

[4] The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation ($262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation ($857,555).

[5] General fund salaries and wages are underfunded.

[6] North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of $6,375,572 in special funds authority is removed for the 24/7 sobriety program.

[7] Funding is reduced for operating expenses.

[8] Reduces funding for criminal justice information sharing to provide total funding of $3,391,562.

[9] Removes funding for abortion litigation fees.

[10] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts equipment funding	($194,388)	$606,882	$412,494
Reduces law enforcement funding	(219,348)		(219,348)
Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Increases funding for Crime Laboratory bond payment	529		529
Total	($266,504)	$873,279	$606,775

[11] A section is added to provide an appropriation of $250,000 for any additional federal or other funds which may become available to the Attorney General for the purposes of the office during the 2017-19 biennium. The section requires the Attorney General to report to the Office of Management and Budget and the Legislative Council regarding any additional income made available. The Attorney General will need to seek Emergency Commission approval to receive and spend any additional income in excess of the $250,000.

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify $200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

Date: 2-6-17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations - Government Operations Divisin Committee

☐ Subcommittee

Amendment LC# or Description: Legislative Mgmt Report

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Kempenich Seconded By Rep Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Vote
Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion carried

Date: 2-6-17
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1003

House Appropriations - Government Operations Divisin Committee

☐ Subcommittee

Amendment LC# or Description: Proposed Amendments

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Vigesaa Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Voice Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carried

Date: 2/6/2017
Roll Call Vote #: 3

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1003

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Vigesaa Seconded By Representative Brabandt

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore	X	
Vice Chairman Boehning	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Kempenich	X				
Representative Vigesaa	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Kempenich

If the vote is on an amendment, briefly indicate intent:

Date: 2-8-17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations - Government Operations Divisin Committee

☐ Subcommittee

Amendment LC# or Description: Reconsideration of Motion

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Delmore Seconded By Rep Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa		Voice			
Voice					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carried

Date: 2-8-17
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations - Government Operations Divisin Committee

☐ Subcommittee

Amendment LC# or Description: 17.0488.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Kempenich Seconded By Rep Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa					

Voice Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carried

Date: 2-8-17
Roll Call Vote #: 3

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations - Government Operations Divisin Committee

☐ Subcommittee

Amendment LC# or Description: To Further amend section 5

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Kempenich Seconded By Rep Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg			Representative Delmore		
Vice Chairman Boehning					
Representative Brabandt					
Representative Nathe					
Representative Kempenich					
Representative Vigesaa	Voice Vote				

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carried

Date: 2/1/2017
Roll Call Vote #: 4

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1003

House Appropriations - Government Operations Division Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Kempenich Seconded By Representative Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Brandenburg	X		Representative Delmore	X	
Vice Chairman Boehning	X				
Representative Brabandt	X				
Representative Nathe	X				
Representative Kempenich	X				
Representative Vigesaa	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Kempenich

If the vote is on an amendment, briefly indicate intent:

Motion Carried

Date: 2/14/2017
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 17.0488.01002 With 250 thousand as a limit

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Kempenich Seconded By Representative Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Voice Vote

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Motion Carries

Date: 2/14/2017
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

House Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Representative Kempenich Seconded By Representative Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streyle	X	
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	X		Representative Boe	X	
Representative Kreidt	A		Representative Delmore	X	
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 20 No 0

Absent 1

Floor Assignment Representative Kempenich

If the vote is on an amendment, briefly indicate intent:

Motion Carries

REPORT OF STANDING COMMITTEE

HB 1003: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget and the legislative council"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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Litigation fees	50,000	100,000	150,000
Intellectual property attorney	418,323	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month."

Page 2, after line 14, insert:

"**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. 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 6. 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 7. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Additional income appropriation		250,000	250,000
Total all funds	$83,714,313	($8,983,765)	$74,730,548
Less estimated income	35,247,452	(4,516,904)	30,730,548
General fund	$48,466,861	($4,466,861)	$44,000,000
FTE	250.00	(19.00)	231.00

Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Health Insurance Increase[2]	Removes 19 FTE Positions[3]	Changes Funding Source for 8 FTE Positions[4]	Underfunds Salaries and Wages[5]	Removes Spending Authority for the 24/7 Sobriety Program[6]
Salaries and wages	$787,933	$606,804	($702,021)		($929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Additional income appropriation						
Total all funds	$584,085	$695,462	($1,147,227)	$0	($929,297)	($6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	($522,049)	$637,105	($1,086,505)	($1,120,322)	($929,297)	$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

	Reduces Funding for Operating Expenses[7]	Reduces Funding for Criminal Justice Information Sharing[8]	Removes Funding for Abortion Litigation Fees[9]	Adjusts Base Level Funding[10]	Additional Income Appropriation[11]	Total House Changes

Salaries and wages						($236,581)
Operating expenses	(1,787,768)			(364,241)		(8,527,581)
Capital assets				403,185		403,185
Grants				677,341		677,341
Litigation fees				100,000		100,000
Intellectual property attorney						8,808
Abortion litigation fees			(400,000)			(400,000)
Medical examinations						
North Dakota lottery						55,989
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		(480,223)				(764,019)
Law enforcement				(209,510)		(550,907)
Additional income appropriation					250,000	250,000
Total all funds	($1,787,768)	($480,223)	($400,000)	$606,775	$250,000	($8,983,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	250,000	(4,516,904)
General fund	($590,548)	($188,741)	($400,000)	($266,504)	$0	($4,466,861)
FTE	0.00	0.00	0.00	0.00	0.00	(19.00)

[1] Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

[2] Funding is added for increases in health insurance premiums from $1,130 to $1,249 per month.

[3] Total funding of $1,147,227, of which $952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget ($1,013,227) and the removal of an additional 3 FTE positions ($134,000).

[4] The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation ($262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation ($857,555).

[5] General fund salaries and wages are underfunded.

[6] North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of $6,375,572 in special funds authority is removed for the 24/7 sobriety program.

[7] Funding is reduced for operating expenses.

[8] Reduces funding for criminal justice information sharing to provide total funding of $3,391,562.

[9] Removes funding for abortion litigation fees.

[10] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts equipment funding	($194,388)	$606,882	$412,494
Reduces law enforcement funding	(219,348)		(219,348)
Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Increases funding for Crime Laboratory bond payment	529		529
Total	($266,504)	$873,279	$606,775

[11] A section is added to provide an appropriation of $250,000 for any additional federal or other funds which may become available to the Attorney General for the purposes of the office during the 2017-19 biennium. The section requires the Attorney General to report to the Office of Management and Budget and the Legislative Council regarding any additional income made available. The Attorney General will need to seek Emergency Commission approval to receive and spend any additional income in excess of the $250,000.

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify $200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

2017 SENATE APPROPRIATIONS

HB 1003

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
3/7/2017
Job # 28772

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Emmery Grotberg for Rose Laning

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the attorney general.

Minutes: Testimony Attached # 1 - 7

Legislative Council: Adam Mathiak
OMB: Becky Keller

Chairman Holmberg: Called the committee to order on HB 1003. Roll call was taken.

Sub-committee will be **Senators Kilzer, Sorvaag, Mathern**.

(1:20 -) **Wayne Stenehjem, Attorney General, State of North Dakota**
2017-2019 Budget - Testimony Attached # 1.
ND Attorney General 2013-2015 Biennial Report – Testimony Attached # 2.

Attorney General Stenehjem Introduced:
Troy Siebel – Chief Deputy AG; Kathy Roll – Fiscal Analyst; Molly Goebel – Information Technology/CJIS; Eddie Aamold – Crime Lab Division; Dallas Carlson & Lonnie Grabowska – BCI; Matt Sagsveen - Indian Affairs Division; Shelby Shields – Law Intern.

He listed positions that would have to be eliminated because of the budget cuts.

He handed out 2 ND State & Local Intelligence Center Criminal Hot Sheets for the committee to look at, but collected them again.

(22:10) **Senator Oehlke:** On the DNA program, when there's a federal arrest or they recover evidence or when there is a BIA arrest and the recover evidence of some sort, does that go to our crime lab or do those go off to another crime lab? If they go to our crime lab, do we get reimbursed for the expenses?

Eddie Aamold, Director, Crime Laboratory Division: The area of the tribal reservations is usually covered by BIA agents and it also often covered by the FBI. The crime lab here will process evidence from those cases primarily BIA working with FBI has the option to either

send that evidence to our crime lab here and they also can send it to the FBI lab in Quantico, VA to have it processed. We process those cases to them free of charge just like we do any other state agency in ND. A lot of times, depending on the case, they are more inclined to send them to our laboratory because even with our lengthy turnaround time on DNA cases it is often small compared to the turnaround time that they are seeing with the FBI lab in Quantico which is several months. Many times we will get those cases but it is working in conjunction with the FBI and making the decision on where they want to send that evidence.

Senator Oehlke: Is the reverse true as well? Does Quantico work for you free of charge?

Eddie Aamold: We don't send a lot of evidence to the FBI anymore, the FBI did have a program for a period of time where they would do specific DNA casework that we were incapable of doing and they would do that free of charge but because of their budgetary issues, they have since stopped doing that type of case work for state labs.

Passed around samples of faux Fentanyl

Senator Robinson: I believe I heard the Attorney General make a comment that although the activity in energy country has slowed down significantly, they have not necessarily left. Can you talk to us about where the heroin is coming from and what is happening in in the state?

Attorney General Stenehjem: If I may, I will cover that later in my testimony.

Senator Oehlke: There has been another bill introduced in the House that would make the state involved with casinos. If that bill passes and someone mentioned that this could be a situation where if we don't pass something it will be a referred measure. If there were more casinos in the state, how would that affect your job?

Wayne Stenehjem: That is a difficult question to answer at this time but I can tell you that we do know a lot of criminal activity takes place in and around our casinos. But I can't say what will happen at this time.

Senator Dever: When you passed those doses of Fentanyl around, it occurred to me that you cannot physically manipulate those small doses in a home lab but they must be produced professionally.

Wayne Stenehjem: They are chemical operations, they come typically from China and work their way through Mexico and come up here. These are mot things that are manufactured here. I want to mention that there is not real Fentanyl in here; this is just samples of how much these particular products weigh. The reason we are very careful is because these products transfer into the body system transdermally so if you touch or inhale a couple granules of this, you can be affected by it. We saw that happen at the crime lab in a frightening way where some suspected Fentanyl samples came in and they were in a paper bag and the agent who brought it in felt that he had inhaled some of it and we had call an ambulance for him and the technician at the crime lab. We were very concerned for their safety because just a couple of grams of this can cause adverse consequences and a couple more grams than that can kill you. That is why we have started to provide narcan naloxone for all of our

agents which is an anecdote to heroin and these kinds of products because it is extremely frightening for them.
Attorney General Stenehjem continued with his testimony (See Attachments #1 and #2).

38:52 **Senator Robinson:** I appreciate your ankle bracelet program. We had a handful of incidents in our community and one in particular the parents are relieved that their daughter is wearing this bracelet and the daughter is relieved as well. Any thoughts on the number and content of the bills going through the session and are we going overboard?

Wayne Stenehjem: He said that the 24/7 program had been a huge success and people were thanking him for the program.
Attorney General Stenehjem said they would testify on all of the gun bills as they come to the senate.
Attorney General Stenehjem continued with his testimony (See Attachments #1 and #2).

(45:37) **Senator Robinson:** On the sex offender program and the placement in community, that has been going on for a number of years. What type of success do we have in that program?

Wayne Stenehjem: You do have recidivism because these are behaviors that are difficult to treat. In ND, we assess everyone who is on our website on an individual basis on what they were actually engaged in, not what they were convicted of and look at what treatment is appropriate. The federal government continues to ding us on our funding because we don't do it their way and they want to take the offense they are convicted of and that is the level you assign to them and they don't look at any of the other important factors.

Senator Grabinger: We have had conversations before about the separation of the sex offenders and the abusers of children. Is there any effort being done to separate those two in your office?

Wayne Stenehjem: A couple things have to happen first but we are looking at doing that.
Attorney General Stenehjem continued with his testimony (See Attachments #1 and #2).

(1:02:26) **Senator Oehlke:** I see you can overdose on caffeine?

Eddie Aamold: The list on page 29, caffeine is listed as a drug. Individuals may use caffeine in larger amounts than that would be in common products such as coffee but it will generate an increase in heart rate and a certain level of pleasure that could be used as a recreational drug.

Attorney General Stenehjem: Continued with his testimony (See Attachments #1 and #2).

(1:06:43) **Senator Robinson:** In the House appropriations when the FTEs were reduced, BCI in particular, did you have the opportunity to be involved in that discussion?

Wayne Stenehjem: We were involved, but we'll take hits. Everyone agrees that there are priorities in ND: education and public safety and those positions are about public safety. I can only come in here and emphasize to you how important it is.

Senator Mathern: We have other budgets here where we are trying to keep people out of prison and the cost involved there and here we are looking a lot at how to put them in. What is in your budget that would help us prevent crime?

Wayne Stenehjem: Somebody's budget needs to handle rehabilitation or behavioral health. Because we cannot arrest our way out of this problem and you cannot continue to fund the building of more prisons if you don't deal with the behavioral health aspects. That belongs in the budget of the agencies that do those treatments I have worked with some of the other committees who work on the justice reimbursement measures that are before the legislature. I need to emphasize that it doesn't all need to be in this budget but other budgets need to address those things.

Senator Mathern: Are there education programs you do around the state?

Wayne Stenehjem: Our agents do that and we also work with local law enforcement do that kind of training and we have done that in conjunction with other agencies. I want to get the word out about how dangerous these things are because you have to have 3 components – 1) adequate laws, 2) treatment and 3) education program before people become addicted.

(1:13:45) Handed out ND SAVIN notifications from 2010 through 2016 – Testimony Attached # 3.
(NDSAVIN – ND Statewide Automated Victim Information and Notification)

(1:17:55) **Senator Grabinger:** The local prosecutor in our community has to put on a staff member and they are in the process of doing that right now. If we were to institute the SAVIN program and update it from Marcy's law; could they eliminate that position or not?

Wayne Stenehjem: Perhaps they could if it is someone whose only purpose to provide those kinds of notifications. I am hoping one day that could be possible.
Attorney General Stenehjem continued with his testimony (See Attachments #1 and #2).

(1:21:00 – 1:30:00) **Kathy Roll, Financial Administrator, Office of Attorney General**
Optional Adjustments Requested by Office of Attorney General – Testimony Attached # 4.
Budget Issues and Requests 10% General Fund Reduction – Testimony Attached # 5.
Additional Reductions Recom. by Gov. Dalrymple & Burgum – Testimony Attached # 6.
Proposed Changes to 2017 engrossed House Bill 1003 – Testimony Attached # 7.

She explained the attachments and their budget needs.

1:29:55 **Senator Mathern:** Who is staff person with SAVIN system?

Kathy Roll: Molly Goebel and Heidi Smith.

Senator Oehlke: Previously we heard from DOCR, they have issues with their IT Department. Is there any way to corroborate between agencies or is that impossible?

Kathy Roll: CJIS stands for Criminal Justice Information Sharing which means we are already doing a lot of information sharing with other states and agencies.

Molly Goebel, Director, CJIS: We work with DOCR and share Best Practices and troubleshooting some of the difficulties in their project implementation efforts so we are available to help. They are subject to a lot of the same federal regulations as we are including the FBI security policy and we do have a staff member who is an expert in that area so we lend him out to provide guidance as needed to some of the other agencies that are also subject to that.

Senator Oehlke: I'd be more interested to see if there was one system everyone could share.

Molly Goebel: There are many different types of systems. We have a statewide records management system and jail management system that we offer out of our office. DOCR is not on that system although they are on the SAVIN system and all the locals input it into one centralized place for notification purposes. If you could offer more detail on what types of systems you are talking about, I can provide more information since there are so many different types. There are case management systems, records management, jail management, and if you are talking about a system that includes all of that it would be a very expensive system. It may be of great benefit to the state but it would also be of great cost. There are a couple vendors who provide something similar.

Molly Goebel, Director, CJIS: Every offender is on our website and we have a list that is updated every day which includes all offenders, even those not yet assessed.

Wayne Stenehjem: Thanked the committee and said his office would be able to offer any further information they desired.

(1:35:52) **Senator Bowman:** I heard there will be some major impacts on your budget. Does that stop progress or just slow it down?

Wayne Stenehjem: There are reductions in our budget that we'll withstand. There are 12 people we will have to inform that there is no longer funding for them which will slow us down. It will not stop anything but it will result in a reduction in our ability to assure public safety.

Senator Dever: It does appear that the reductions in your budget had been more significant than we have seen in other budgets and I am trying to think what the rationale might be and part of it might be a roll back because of significant increases in the last session or before or it might be a misperception that your workload rises and falls with the activity in the oil patch.

Wayne Stenehjem: I think there may be that perception and that is why I thought it was important to show you that the increase in crime that we are seeing and the kind of activity cannot fairly be attributed only to the additional population and development out in oil country. The increase in the drugs and sex offenses and human trafficking are state wide issues. We did undergo some substantial reductions and we will accept some of those but I am here to emphasize the fact five that are of critical importance to your constituents and mine.

Chairman Holmberg: Closed the hearing on HB 1003.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
3/16/2017
Job Number 29368

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Eva Liebelt for Rose Laning

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the attorney general.

Minutes:

Legislative Council:
OMB:

Senator Kilzer: Called the sub-committee to order on HB 1003. Senators Sorvaag and Mathern were also present.

Senator Kilzer: The reason I called this meeting, not to be the first one on the white board downstairs because we came in second actually but I do want to bring us up to date and it has been awhile since we heard the agency budget and the other thing is that we have gotten the March 9th forecast which as you know is a little on the dim side. I would ask a couple of things that we would get accomplished in the half hour that we have asked for today. First of all is an update from Kathy and Wayne about their six requests and anything else that has changed since then and anything else that would refresh us a little bit because we have had quite a bit of water under the bridge since then and then secondly what the committee members may want to request. I am not thinking we will have to drag this out real long. As you may or may not know leadership does want to finish up in seventy days. Which would bring us around to the eighteenth or twentieth of April. So those are my thoughts.

Attorney General Wayne Stenehjem: We can go through how we got the fifty-five million that we had last year down to the forty-four million that is left in our budget this time which includes the reduction of 19 FTEs. I think just about all of which are currently existing people, they are actually in our office. We can outline for you what our priorities are and we can reiterate those. We will do our best to do whatever we have to with the resources that there are but our priorities and what I think is critical for us is the restoration of the four BCI agents who are currently working for me and the one DNA analyst out of the crime lab. That's is five of the nineteen and the other fourteen, if that's what we can conclude with we will work our way around. That's kind of our hopes for this half of the session. There were a couple of other minor things.

Senator Kilzer: What page our you on?

Attorney General Wayne Stenehjem: Seventeen.

Kathy Roll, Finance and Administration Division Director: Number five, the two hundred eighty thousand dollars to replace the uniform crime reporting repository system which is going to reach its end of life and not be supported anymore next biennium. On page eighteen, that is the project to rewrite the antiquated office system. Number six is to rewrite the DAS based office wide office system, that is one hundred thousand dollars. To cover the number of criminal history checks, I think almost all if not all of those bills have already passed with the exception of medical marijuana. That one hasn't passed yet but we will need 1.5 identification technicians to do all those criminal history records checks and that is just 33,000. Then the last one number eight is, if this office is responsible to notify victims as the result of the Marcy's law initiated measure then we need eight hundred and fifteen thousand dollars to do that. Most of that is operating and onetime cost, so we can talk more about that if you want to but that is a summary of the items of the things we our requesting. (3:06-4:39)

Senator Mathern: Now these items that you just spoke about, are they related to the five staff people we are trying to move back into the budget or are they just different kinds of operating expenses?

Kathy Roll: I guess I am not aware.

Attorney General Wayne Stenehjem: These are not the four BCI agents or the one from the crime lab?

Kathy Roll: No, correct. We only talked about the four agents and then the one forensic scientist. The others are addition to that.

Senator Kilzer: Now on the one FTE in the crime lab, you would be going from seventeen down to sixteen forensic scientists?

Attorney General Wayne Stenehjem: We are talking about a DNA analyst there is only so many of those.

Eddie Aamold: Specifically, for DNA we have seven individuals now. We would be going from seven to six in DNA.

Senator Kilzer: Obviously your other forensic scientists are not cross trained for DNA?

Eddie Aamold: Correct.

Senator Kilzer: What was the number of DNA specialist a few years ago going back? I think at one time you had four, if I remember right.

Kathy Roll: I believe that is correct.

Senator Kilzer: So now you would be going from seven to six?

Eddie Aamold: Correct.

Senator Kilzer: And those seven or six they can fill in for each other, they are crossed trained within the DNA lab?

Eddie Aamold: That is correct, most of them yes.

Senator Kilzer: How about the BCI agents, reducing that by four. Are there about thirty or fifty?

Dallas Carlson, Director of BCI: Currently we have 51 sworn agents and they are in fourteen field offices throughout the state and that is at full staff we would have 51. The fifty-one sworn includes myself, two supervisors, chief agents in Bismarck that are just administrative. We have three field supervisors that act somewhat like a sergeant or a lieutenant in a police department who do a minimal amount of cases. They do evaluations on the agents, they do office inspections, meetings that the chief agents can't get to. So out of that 51 you could take away about seven that would be called administrative officers that don't generally do day to day case work. (7:10-8:10)

Senator Kilzer: Who aren't confrontational with their work, in your field direct contact with the people you deal with. Are any of these nearing retirement or contemplating having an open space?

Dallas Carlson: With our retirement there are possibly a number that are eligible for retirement but no one has indicated that they are ready to retire right now.

Senator Kilzer: So zero right now?

Senator Sorvaag: So if you had to lay off four would they be investigators then?

Dallas Carlson: Correct that would be investigators from the field. That would be the presumption I would make. We don't do any type of an early retirement. That's not worked into the PERS retirement system so we would have to do a RIF of some sort.

Senator Sorvaag: The next question would be administrative, if you got rid of four would they do more investigative work then or would their roles not change?

Dallas Carlson: The administrative roles probably wouldn't change. It is just the amount of activity that they do and that is required of us. They not only supervise agents, they supervise office staff, concealed weapons section, they supervise criminal history section, the drug task forces. So it is not just the agents that they supervise they have a mixture of folks that they supervise.

Senator Mathern: I am wondering when there is a reduction of staff in that area, do you make a decision of which kinds of crime you will address? I mean they change your approach to crimes in terms of maybe dropping some. How do you actually deal with the reduction?

Dallas Carlson: We have never gone through a RIF process before, to be quiet honest. As far as to pick and choose can we for instance not respond to burglaries, I think we would be getting a bunch of phone calls from some sheriffs. The concept of BCI was to assist agencies that don't have the staff, don't have the knowledge, don't have the equipment. It would be pretty tough to choose what we wouldn't respond to because any place we can help we will go and that is what has become expected of us.

Senator Mathern: Well I guess if cuts are made, what are you going to do? I mean, make everybody work harder or what?

Dallas Carlson: Very good question. I don't know that I have an answer for that. It is currently somewhat of a task to keep our agents comp and overtime in check because of the number of calls we get. We had in 2016 two hundred more investigations, case numbers that we did in 2015. That is just case numbers and within those case numbers are multiple defendants at times. I don't have an answer for that question.

Senator Mathern: The reason I asked is I was thinking in terms of the corrections budget. We are reducing the corrections budget so we are trying to figure out how do we work with the counties so they are more involved in deciding who gets sent to prison and who not. I was just wondering if you are forced to work with the counties or other law enforcement agencies to sort of rearrange what you are all doing.

Dallas Carlson: This won't appear to be a very good comparison but we can't control how many widgets we do every year. There are years that are quieter than other years but we can't control the bad guys. Not a good comparison but kind of the way it works.

Attorney General Wayne Stenehjem: Remember you have added some. You added one in Wahpeton because you didn't have an agent there overseeing the task force, you added a couple in Williston and Watford City. Very often the choice that we make if we have to pull them out of those places and I hate to leave anybody not covered and especially if you remember BCI is an assisting agency. We come in under the law when we are asked to provide assistance to those who need our expertise and we hope we don't have to be in a situation where we tell them we can't come.

Senator Kilzer: Well, your record in recent years certainly speaks for itself. I've frequently tell people about the number of crimes that are left unsolved, homicides. There aren't very many anymore and I remember Morton County thirty-five years ago when I first came to town there were more than two handfuls of murder cases that were unresolved and finally the judge said, I don't want to hear any more about it even if there is a confession, you don't need to bring it to court. That's a long time ago and together with the work you guys do and the work that is done with the doctors it's more of a list how very few unsolved homicides are happening now. I commend you especially for that.

Attorney General Wayne Stenehjem: And a lot of those is because we have a lot of smaller counties without well trained, who don't see a homicide very often so they are not trained and looking into them and we have the people who can do that in conjunction with the crime lab. If I can emphasize anything I could probably be giving you a good story about the other twelve that I am not talking about, the rest of our staff that we are understanding that we are

going to have to RIF them. I am not going to do that because I know the fiscal situation we are in so when I sat down and went over it with my whole staff, what are we going to absolutely need and that is the five we are talking about here. The others we will manage.

Senator Kilzer: This is the extreme in removing absolutely needed personnel and these are certainly, I can see why they are number one and number two on your list of importance.

Attorney General Wayne Stenehjem: I know the tough job that you have so please know that I understand that but I am the one that has to go to these people and say you aren't going to be working here anymore and I am not looking forward to that very much.

Senator Kilzer: I understand.

Senator Sorvaag: What is the dollar amount on those five positions?

Kathy Roll: It's pretty close to one million dollars.

Attorney General Wayne Stenehjem: If I could I wanted to mention that we have the Marcy's law. We have a situation with the program and if you want me to pursue it let me know. I just wanted to let you know I talked to the counties and I know that some of them are starting to hire witness and victims' advocates within the counties. I asked if they could come up with an estimate of what they might be spending and would it be possible if they came in and most of it is a onetime funding and if they paid half of it. Would that be something that would be worthwhile. I will pursue that some more if it is something you are interested in.

Senator Kilzer: Yes, I would like to be informed, I know very little about it because it has been pretty sketchy and pretty early and pretty raw.

Senator Mathern: It appears that many counties are going into some expense here and is it possible by working together we could save some of this money?

Senator Kilzer: You mean do it at a state or regional level?

Senator Mathern: Right, something like that.

Attorney General Wayne Stenehjem: We do a lot of the things that Marcy's law requires now in the SAVIN system, notice of court hearings and convictions. There is a lot that we don't do because that isn't what the statute required of us and Marcy's law didn't exist. For example, we do not do notifications for municipal court or for juvenile court, Marcy's law requires that. We can do all of those things if we can get the software updated to accomplish all of those things. That could be a pretty good thing and it would be especially useful if the counties are going to start hiring people. It seems to me and I suggested to them that they ought to pony up half of the money or something like that. We can do it all through a cooperative effort.

Senator Kilzer: Yes, I think that would be great if you could expect a little reimbursement in your office for putting together a memorandum that you could send out to the counties and maybe even cities.

Attorney General Wayne Stenehjem: Cities have to comply and municipal courts have to comply with Marcy's Law now. Which they weren't doing before with the SAVIN system.

Senator Kilzer: Are those all part of the cities organizations, their courts or are they all independent of the city government?

Attorney General Wayne Stenehjem: They are part of the city government but they are the municipal courts and then the juvenile courts are part of the district court system but they haven't participated either.

Senator Mathern: My concern is there are all these people out there that are going to create software and we are going to have some rudimentary spread sheets and how do they notify this person and follow through. This system already has that and I think we can save some money in the systems.

Senator Kilzer: Are you thinking of possibly adding a section to the bill?

Attorney General Wayne Stenehjem: That is up to you and if we can get some buy in and save some money. Eventually we are going to be doing that anyway. The SAVIN system is a really sophisticated effective system.

Senator Kilzer: I would be glad to add a section pertaining to that in the most efficient way to handle it and get the word out and avoid a lot of unnecessary work at the political subdivision level.

Senator Sorvaag: Another question, it still isn't done in the House but the medical marijuana, that bill is a little bit more advance then when you brought the budget. So have you drawn any different conclusions like what has come to the Senate if that is going to have any more effect on anything?

Kathy Roll: When it was initially introduced we were looking at quiet a staff increase. It was then reduced down to the point where BCI agents wouldn't be needed to investigate issue of someone selling marijuana, their medical marijuana. In the fiscal note it provides for one identification technician and actually I said we were asking for 1.5, the one is for medical marijuana.

Senator Sorvaag: So I guess if it held together the way it went out of the Senate it probably won't.

Attorney General Wayne Stenehjem: That haven't heard it in the House yet but my understanding is that they aren't looking at major changes. There are some redefinitions of what some of the products are from a scientific standpoint but at least so far it looks as if it does pass it will pretty much be in the same shape you passed it.

Senator Sorvaag: This is probably still a year out before this gets implemented, so it wouldn't be needed through the whole biennium.

Attorney General Wayne Stenehjem: We aren't looking at major changes.

Senator Kilzer: Anything else?

Senator Mathern: I think it would be great if the Attorney General would get together with the director of league of cities and association of counties and come back actually with a recommendation for that section.

Attorney General Wayne Stenehjem: That would be easy to do. If I could alert you on the possibility of one other potential issue. We have done some research on the possibility of attempting some kind of litigation to get some or all of our Dakota Access Pipeline expenses back from the federal government and we have several other funds for litigation purposes that I want to make sure that we have the authority to use that funding to pursue that option if that looks like we may be able to do.

Senator Kilzer: We value your judgement in those case or potential cases, yes.

Attorney General Wayne Stenehjem: Some of the items are slowing down. The venting and flaring and now the tenth circuit has put on hold the fracking rules but it would be nice to know I have that authority. I don't think we will need any additional funds if we can access all of those.

Senator Kilzer: I think are next meeting will be at the earliest Tuesday afternoon, maybe Wednesday or Thursday. Hopefully Wednesday and we will continue on with these subjects and maybe one or two more that come out from under the rug.

Chris Kadrmas, Fiscal Analyst, Legislative Council: I wanted to ask the question on the litigation that occurred for the racing services, is there a dollar amount that is a little bit closer to what the dollar amount could potentially be?

Attorney General Wayne Stenehjem: Yes, the amount of taxes that were collected by the state that the appellate court said was not authorized to be collected was $13,502,215.65. The interest appears to be at 6.5% starting October 21, 2015. That amount came from the most recent hearing where the judge said here is what I am thinking I am going to do.

Senator Kilzer: Okay any other items before we adjourn. Thank you everyone for coming.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
3/23/2017
Job # 29621

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Pam Dever for Rose Laning

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the attorney general.

Minutes: Testimony Attached # 1-3.

(Note:tape did not start until 1.08)

Legislative Council: Chris Kadrmas
OMB: Sheila Peterson

Senator Kilzer called the sub-committee to order on HB1003. **Senator Sorvaag** and **Senator Mathern** were also present.
Want to give instructions to Legislative Council so they can draw up an amendment.

Senator Mathern: want to finish our agreement today.
Senator Kilzer: HB1016?? Medicaid fraud. Hear from others that we don't have Medicaid fraud unit, so we can't receive waiver for very long. What was initially proposed two years ago.

Wayne Stenehjem, Attorney General, State of North Dakota
Two bills critical to Medicaid fraud. We are only state that doesn't have unit. We got a letter saying our waiver is coming to an end. You need to implement a plan to implement Medicaid Fraud Unit. That had to be done within 60 days. Not sure what Human Services has done. 90% of expense of Medicaid fraud is paid by federal government for first 3 years. After 3 years, I believe 75% is paid by feds. Most states find they are making money. If you want to do that. We need two things. A Medicaid fraud unit set up in AG's Office. You also need a False Claims Act. Those have been around this session, but have been killed. Worried if we can go two more years without fraud unit. We're going to lose that exemption sooner or later. If you want to do Medicaid fraud unit, you have to have a false claims act.
(Handed out Letter from Dept. of Health & Human Services – Testimony Attached # 1.)

Senator Kilzer: Was there a False Claims Act that was killed this session?

Wayne Stenehjem: Yes. HB 1174.

Senator Kilzer: Did you express this urgency at the hearing on 1226?

Wayne Stenehjem: I told the committee and they are aware. When they say 60 days to come up with plan. Maybe we will get two years. Maybe OMB does.

Senator Kilzer: I wasn't aware of the urgency. (6.02)

Senator Sorvaag: I was on 1226. Was there any discussion why they didn't want the bill?

Wayne Stenehjem: I am sure there was. I would be speculating, but I assume that they were thinking we'd get by two more years. Come back next session and do something. Our office was concerned on how the False Claims was drafted. If you want that in our budget, you need to resurrect the false claims act. Some amendments would have alleviated that worry.

Senator Mathern: Maybe we put the False Claims Act in this bill and some word of planning money, but have it go into effect July 1, 2019. (7.42)

Wayne Stenehjem: I'll do whatever, but need to check within DHS. If you do that, give me the authority to take care of the needed paperwork.

Senator Kilzer: I'd think it would be excellent if you can do that. Good to have a plan in place.

Wayne Stenehjem: Risky to wait two years. Lots of money if we lose this. Expensive to have a special session.

Senator Sorvaag: The feds will pay 90%, but is there a startup cost?

Kathy Roll, Finance and Administration Division Director, Office of AG: $156,000 in general fund money. About $1.4M in Federal funds.

Senator Mathern: If both bills get killed in the House, they will not be happy if this shows up in AG's budget. They may kill the AG's budget, too. I say put a delayed implementation on it and that gives Dept. of Human Services some time to tell the feds that they have a plan. Maybe get us through the House. (10.31)

Senator Sorvaag: I would prefer 2017, because they will no kill the budget. It would go to conference committee, and your suggestion can be brought up there. We know there would be objections.

Senator Kilzer: You wold be asking for appropriation in upcoming biennium?

Senator Sorvaag: $156,000.

Wayne Stenehjem: This is not something I brought forward. I think it is good public policy. I Will do what the legislature requires of me. I have supported and promoted it before. We need to do something concrete now.

Senator Kilzer: As far as providers objecting, it is like the good guys should have no fears of this. The ones in fear, probably have reason to be afraid.

Wayne Stenehjem: I'll get you the letter.

Senator Kilzer: I'll talk with Human Services tomorrow in the sub-committee.

Senator Mathern: Suggest that we give the Attorney General the option of using the bills that we have had, but amend them to address the AG's pint of view. That will be helpful to the provider community, too.

Senator Kilzer: We have questions about finances of Marsy's Law, the $815,000. How solid is that? A smaller item in the judiciary and your office and Judiciary working together with Marcy Law.

Molly Goebel, Division director, IT CJIS, Office of AG: Work with a lot of the courts on a lot of the bills. No fiscal note on Marsy's Law, so there was no collaboration with courts on that. We do use court data.

Kathy Roll: I contacted the court. They didn't think it would have any impact.

Senator Kilzer: How you arrived at $815,000?

Molly Goebel: The vast majority is one-time functionality enhancements. Have to expand data field. Some costs with upgrade to the current system. We didn't spec it out to fit with Marsy's law. There is a new version coming from the vender. There is an end of life to our current system. We would have that cost either way. We can space them over three biennia. Those are basically higher costs.

Wayne Stenehjem: Molly had flow chart of implementing things and how long it would take. Cities are going to incur additional expense. Some of them are going to have to hire more people. Funding by population or by county, maybe. Think they would be interested in doing that.

Senator Kilzer: Additional comment that I have. Marsy's Law has been around long enough that the initial computerizing costs should have leveled off? Will it get cheaper in time?

Molly Goebel: Sometimes we see that get cheaper, but a lot of technology and integration costs don't usually go down in price, unfortunately.

Wayne Stenehjem: It is useful for victims of crime. If we could upgrade the SAVIN system.

Senator Mathern: What is date for end of life for SAVIN?

Molly Goebel: 2021-2022. It's a victim service, so not want to kick everyone off. They try to work states onto the system.

Senator Mathern: Is this $800,000 am investment in end of life product? Or investment in new product?

Molly Goebel: In the new product. $165,000 of the $810,000 goes directly to Phased integration.

Senator Kilzer: In a matter of 5 years, something has to be done anyway. SAVIN will be done.

Senator Mathern: How much do you think we can get from cities and counties? A quarter of it?

Wayne Stenehjem: I was thinking ½. There is money left from the oil impact grant money from last biennium. Around $1M. We could use some of that because it is a law enforcement tool.

Senator Mathern: I would recommend that we draw up amendments to take half the money from that fund and we authorize him to get the rest from the cities and counties political subdivisions.

Wayne Stenehjem: The counties want to participate, but want to figure out how to get it.

Senator Mathern: It's $400,000 between 2 or 3 counties now.

Senator Sorvaag: If we get all six items, and the last four have dollar amounts, what is the total dollar amount?

Kathy Roll: $1.4M (Handed out Restoration/addition Requests – Testimony Attached # 2)

Wayne Stenehjem: (24.40) House wants to buy the Job Services building and move AG over there. We can save $500,000 to $1M in the biennium by not paying rent where we are now. This could be a large savings to my budget. I didn't press hard for the other 12 positions that are going to be eliminated. I will do that. I need to have the flexibility to move line items. We will be providing few services. There are a variety of litigation funds, also. You passed the resolution, so I try to recoup the losses from the federal government on DAPL. $1.5M in Industrial Commission budget to tap into.

Senator Kilzer: Do you need additional verbiage?

Wayne Stenehjem: Transferring among line items. Is a tool I am going to have to have in the next two years. This is an $11M drop in our budget.

Senator Kilzer: Do you have any carry over?

Kathy Roll: I just started the analysis. It's possible that we might have a million dollars in that fund.

Senator Mathern: We placed wording in Job Service bill to permit them to sell the building. Have to change the fuses in the building. Need an amendment to fix building.

Wayne Stenehjem: $550,000 a biennium. Hate to see a building so close to the capital grounds being sold to the public. It could wind up with a bit of savings.

Senator Kilzer: Any questions on how to draft.

Chris Kadrmas: LC

1) Regarding Marsy's law – look at repurposing $ from Oil and Gas impact grants. Increase special fund spending authorities.
2) Reinstate 6 positions – one is an identification checks.

Senator Kilzer: DNA check had a bit confusion. - it is a total of 6? (Correct)
Wayne Stenehjem: Background checks – make whoever is requesting ID tech pay for it.

Senator Kilzer: Some individuals had to pay for it, some agencies pay. Sometime the AG did it without pay.

Wayne Stenehjem: We'll work with Council to come up with wording. We don't know how many background checks will need to be done.

Chris Kadrmas: Regarding transferring funds between line items, as AG described. All agencies have ability to go to Emergency Commission to transfer between line items. Would the committee like these on a work sheet? To approve at one time?

Senator Kilzer: Other agencies have made it all inclusive.

Chris Kadrmas: The committee hasn't voted on any of these. Prepare them so you can vote on each one separately. And roll them not the AG's budget after you vote one them?

Senator Kilzer: Yes, and appropriations. We should have each of the amendments in its own place. I think there will be three or four amendments.

Senator Mathern: I suggest we have a working document of each it its own place.

Senator Kilzer: I want them to have a say on each of these items.

Chris Kadrmas: (35.26) 3) The funding transfers you'd like to have prepared? Yes.

Wayne Stenehjem: DAPL funding?

Chris Kadrmas: Does the committee want to review that before I draft an amendment?

Senator Kilzer: Do you have authority now?

Wayne Stenehjem: I want it clear. Right now it says oil and gas related.

Senator Kilzer: Otherwise not to certain uses, you can transfer one-line item to another.

Wayne Stenehjem: I can submit that to LC.

Senator Kilzer: Right now there is nothing about Medicaid fraud?

Chris Kadrmas: I don't have anything listed. It is unusual to have a delayed start within a state's budget for a policy section, and delayed appropriation. In might have to be in 10 sections, since you can't bind that hands of future legislative body.

Kathy Roll: I heard two different dates from two different senators. (38.01) There needs to be a decision on that.

Senator Kilzer: I thought we were doing things sooner like Senator Sorvaag said.

Chris Kadrmas: I draft the false claims act as they see it should be. We just create an appropriations section that would appropriate the total funding necessary and authorize how many FTE's – six this time. (39.06) Include that all as one.

Wayne Stenehjem: One more thing. I think It was suggested we talk about contracted higher ed legal services.

Kathy Roll: Transfer $100,000 for litigation fees of higher ed Senate Holmberg thought we may be better off put in the bill instead of the deficiency bill.

Senator Kilzer: Go ahead and draft that. We will be meeting one more time.

Wayne Stenehjem: Last session, you moved all the lawyers to us (Menard Hall) and committee. There was $200,000 in there for litigation.

Chris Kadrmas: So that would be transferring $100,000 from that one-time funding into the litigation line? Yes.

Senator Kilzer: How soon do you think we can have the amendments.

Chris Kadrmas: I will have the amendments for the individual and transfer and Marsy's Law by Monday morning.

(Chris lists the amendments again.) (40:00)

Wayne Stenehjem handed out Organizational Chart B - Testimony Attached # 3.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
3/29/2017
Job # 29799

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Eva Liebelt for Rose Laning

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the attorney general.

Minutes: Testimony Attached # 1 - 4

Legislative Council: Chris Kadrmas
OMB: Becky Keller

Senator Kilzer: Called the sub-committee to order on HB 1003. **Senator Sorvaag and Senator Mathern:** Were also present.

Kathy Roll, AG Office: Handed out Automated Victim information and Notification program, Testimony Attached # 1.

Senator Kilzer: At our last meeting, we were worried about the waiver running out on the anti-fraud requirements for Medicaid and in talking to Maggie Anderson we won't pursue that at the present time.

Senator Kilzer: Handed out Amendment 17.0488.02001 – Testimony Attached # 2.
Amendment 17.0488.02002 – Testimony Attached # 3.
Amendment 17.0488.02003 – Testimony Attached # 4.

Chris Kadrmas: We can start at 02001, this amendment was to add in the six FTE positions but I should have but did not include the uniform crime reporting rewrite funding of $280,000 and it does not include the DOS base deposit system of rewrite of $100,000. So that would have to be further amended into this amendment or at least added to the overall agency amendment if the committee chooses to go forward with the amendment.

Senator Sorvaag: I visited with Chris yesterday, it was items 3 & 4 that this amendment didn't cover so we would need the language to cover them.

Senator Kilzer: Those of you that are following along we are mainly going with the 6 priorities that came to us from the Attorney General and Kathy. That revision will put those two items back into it and we will be done.

Chris Kadrmas: We can take a look at the 02002 which was requested by the Attorney General. Allows the Attorney General to transfer funding between all line items and this gives them that authority. It would require that any transfers they make need to be report to the office of Management and Budget & Legislative Council. And then if I can turn your attention to 02003. It was requested that a hundred thousand dollars of funding that was provided during the 2015 session for higher education legal fees. They were asking for $100,000 of that to be used in 17-19 biennium for litigation fees line. Within the deficiency appropriation there was funding out of the same source, but that will have to be discussed by the committee.

Senator Sorvaag: We still need this amendment?

Chris Kadrmas: It is my understanding that it doesn't but I was asked to provide the amendment that is essentially why you still have it. It is my understanding if the funding is in the deficiency bill, which it is then, this will not be needed.

Wayne Stenehjem, Attorney General: Yesterday we learned that the $100,000 was going to be covered in the deficiency appropriation and if that follows through, then we won't need this. Maybe we want to keep it alive and see what happens with the deficiency appropriation bill in the conference committee and if it is on its way, then we can take it out.

Senator Mathern: I would ask where you would prefer to have it? I think if we keep it alive in both places it will have a greater chance of getting left.

Wayne Stenehjem: Either one is fine with me, if you keep it in here we will track it and let you know as the deficiency bill works its way through.

Senator Kilzer moved to adopt amendments 17.0488.02002 & 17.0488.02003.
Senator Sorvaag seconded the motion.

A Roll Call Vote was taken: 3 yeas, 0 nays, 0 absent.
Senator Kilzer: Yes
Senator Sorvaag: Yes
Senator Mathern: Yes

Senator Sorvaag: I think we have covered all but the Marsy's Law. Who wants to address this because that relates to item number six which is the only one left on our sheet.

Wayne Stenehjem: We passed out some amendments. The bulk of those amendments are the Medicaid fraud unit. We don't need everything except page one and two. Speaking of attachment # 1. The counties and cities would have to come up with the other $315,000. I visited with them to help them get funding and that is what you have in the 2nd and 3rd section of this bill. I would work with the Association of Counties and League of Cities. Section 4, propose to use any additional amount in victim's witness fee plus a proportional assessment of the counties for the remainder. I talked to individuals from the league of cities and the associated counties and they are comfortable that we can come up with an arrangement to allow them to contribute to what would remain. (9:35-11:35)

Senator Kilzer: Could I ask Terry Traynor to come up and talk about that. I would like to hear your thoughts on both a broad overview and also looking at individual counties.

Terry Traynor, North Dakota Association of Counties: As we looked at what is being proposed to enhance the SAVIN system to address some of the Marsy's law requirements. We think that is a good plan and goes a long way to helping the state as a whole as well as the local jurisdictions meet their obligations. We are supportive in that direction. We realize there is a constitutional responsibility traded by the citizens in Marsy's law that we are going to have to fulfill. This is one of cheapest parts of that compliance. We're speaking from our knowledge of the counties and their thoughts were a reasonable approach. If we can allocate the cost on an ability to pay, like a percentage of a mill levy. Because it would be very challenging for small counties to come up with a lot. There are 5-6 things through this legislative session that are increasing county cost or decreasing county funding. We're willing to support this if that is what the committee thinks is the right direction to go.

Senator Mathern: Our discussion was trying to help the counties. Our hope was that you could reduce the personnel hiring to meet Marsy's law requirements by having enhanced SAVIN system.

Terry Traynor: I agree. It's probably not going to meet everything but it is going to meet a lot more than we have now.

Chris Kadrmas: The language here should work, but the only issue is the funding source. There is no guarantee that there will be funding available in the Oil Impact Fund. I would recommend that the committee look at a different funding source.

Wayne Stenehjem: There were appropriated money last session from the Oil Impact Fund and that has not all been spent. There is that amount of money that would still be available.

Chris Kadrmas: That is true, but based on possible changes to fund, that funding may not be available and so I would suggest looking for a more stable source.

Senator Kilzer: Are there "fingers in the kettle."

Chris Kadrmas: The general fund may not be ideal but the SIIF might be another source, (Strategic Investment and Improvement Funds).

Wayne Stenehjem: I am not aware of what Chris Kadrmas is aware of. It was money that was appropriated and would be spendable up until the end of June. It goes through the violent crime committee and then goes to the land board, so unless there is an emergency clause in some measure that money could be available.

Chris Kadrmas: I could verify the information that I have and actually designating a prior biennium's appropriation, I can do that.

Senator Kilzer: How much money are we talking about for the state's share?

Wayne Stenehjem: $500,000 and $815,000 total.

Senator Mathern: How long with the SAVIN system upgrade take us to get completed?

Wayne Stenehjem: I think we provided a chart for you. It is a long process, 2-3 years to be completely implemented but there are some things we can do relatively quickly.

Senator Mathern: I was just wondering if we should put an emergency clause on this section and do the contract and that way we can use your spending authority this biennium. I'd hate to have action come against the state for not implementing Marsy's law.

Molly Goebel: We could work with the vendor to start a contract but we would only be paying a small portion up front as required by state law.

Wayne Stenehjem: The part of the question is would we need this law to be on the books right away or can you start implementing it knowing that the appropriation will be here on the 1st of July? It appears that having an emergency clause would help get things started right away.

Senator Kilzer: I know it still needs to be checked out as far as what the funding source might be for the state share.

Senator Sorvaag: I think all my questions have been answered.

Senator Mathern: I have a different view on the Medicaid Fraud deal. It appears that you don't intend to put that section into the AG bill. As I heard Maggie speak, there is bantering going back and forth and we should put something in this bill that directs the AG to come up with a recommendation with the department of human services by the next legislative session to say do this work during the next biennium that you have already done.

Senator Kilzer: I came to a different conclusion. My request would be to be ready and be prepared. It was in the AG budget 2 years ago and we have to maintain a state of readiness that we could proceed if we have to but the tone of the letter from the AG was a little different than the correspondence that had gone back and forth between the Governor and the Department of Human Services.

Wayne Stenehjem: In response, I know that one of the bills that was introduced that would have implemented the Medicaid, which was turned into a study. So there will be an interim study.

Senator Sorvaag: That's correct, it has been signed and everything.

Chris Kadrmas: I just want to clarify what the committee would like included in the amendment. He went over what the changes would be. (24:00-27:00)

Wayne Stenehjem: That is a bill that is over in the House and they propose to have us move over to that building and depending on what arrangements are made our budget could be reduced somewhere between $500,000 and $1M, minus some refurbishing dollars.

Chris Kadrmas: That could be the potential funding source is whatever savings is seen in that move for that North Dakota Automated Victim Information and Notification program. The move could be utilized for that program.

Kathy Roll: Would that have a contingency in case that doesn't happen?

Chris Kadrmas: That would be an option to insure that there is a solid funding source. If that funding is not available to the agency then there could be a contingency either from the be SIIF or the general fund, based on whatever the committee decides.

Senator Kilzer: I think that would be fine to write that in as the first choice and the alternative choice.

Chris Kadrmas: I would just have to know where the committee would like the contingent funding to come from.

Senator Sorvaag: Could we leave the Oil Impact and SIIF as second?

Chris Kadrmas: It is possible but it's most likely you will need an alternate source.

Senator Sorvaag: Then it most likely has to be the SIIF.

Senator Mathern: What I am thinking is maybe we want to leverage this dilemma into encouraging that building move. If this is going to be a savings every biennium that kind of money, maybe we should put it as related to use of the money in the budget already, assuming they can make the move. If there is no building purchase that comes out of the general fund it will encourage our decision makers to get that building done. The general fund makes a clearer expenditure where the other ones are contingent on so many other things.

Chris Kadrmas: We don't' have an updated revenue for the SIIF fund regarding the new legislative forecast. It's going to be somewhat different not significantly different but the anticipated ending balance of over $338M in the SIIF. There has to be some transfer at some point from somewhere but there is funding in there. It's just if it comes from the general fund and is transferred in there later or however the committee choses.

Senator Sorvaag: Why don't we put SIIF as a backstop. This bill will end up in conference committee and at that time we will know more of what is going on with the other bill on the other side. It can be brought into the discussion then. This could be changed in conference.

Senator Kilzer: I agree this bill is not near the finish line yet and we do need to put something in there. I think we should put that in.

Kathy Roll: The amendments I handed out also have a couple of more sections, three more. At the bottom of section 4, it requires that the fees be charged to the defendants for crime victims and provides for the language as it also included on page 2. It also allows that the money can be for SAVIN upgrade, the notification upgrade. Section 5, allows this office to

use money appropriated to the industrial commission for litigation expenses associated with the feds and the DAPL litigation. (33:16-34:15)

Senator Kilzer: Would that be better off in the industrial commission budget?

Wayne Stenehjem: I think it will be easier to leave it in here.

Kathy Roll: The last section provides for all entities that received a good history record check authority by this legislative assembly would pay a reasonable fee for that record check. (33:37-35:21)

Chris Kadrmas: It is my understanding in the 02001 version that there is that one FTE identification technician and that funding is from the general fund.

Kathy Roll: So we wouldn't need the last sentence. We just need the authority to have them pay for the record checks but we don't need the authority to spend the money because you have already appropriated that.

Senator Kilzer: You need the rest of the section but not the last sentence.

Chris Kadrmas: If I am understanding correctly the one FTE that is being provided funding from the general fund is the same individual who would be doing the records checks as this section indicates? What is the agency's use with revenues collected?

Kathy Roll: That is correct. Those monies are deposited into the general fund.

Senator Kilzer: In the section with DAPL project, which expenses are we talking about. How do they fit in with judiciary and law enforcement part of it?

Wayne Stenehjem: I had discussions with a number of state agencies and we are looking at the option of whether we could potentially bring litigation against the federal government asking them to reimburse us for the $38M that we have spent as a result of the protest.

Senator Kilzer: It would be a plaintiff type of action?

Wayne Stenehjem: Right. We are also working with our congressional delegation hoping they will be able to get in an appropriation to recoup those expenses but failing that we will look at all of the options that might be available.

Senator Kilzer: It says here, "the funds appropriated to the industrial commission for litigation." Are those in the industrial commissions budget and how much are they?

Wayne Stenehjem: I think the budget is one-million and five hundred thousand dollars. Litigation. That was money that has been appropriated for a couple of biennium's now for litigation.

Senator Sorvaag: I thought it was a million?

Wayne Stenehjem: I thought there was a carryover of another $500,000. The vending and flaring rule has been withdrawn and the BLM rule. We may not have to pursue that mitigation.

Senator Kilzer: What you are asking is for this subcommittee to bring forward these two additional amendments, near the bottom of page 2 and we don't need the one that is totally on the top of page 3?

Senator Sorvaag: Voting on the first two pages, sections 1 & 2 except last sentence.

Senator Kilzer moved to adopt pages one and two (except last line) of attachment #1. Senator Sorvaag seconded the motion.

A Roll Call Vote was taken: 3 yeas, 0 nays, 0 absent.
Senator Kilzer: Yes
Senator Sorvaag: Yes
Senator Mathern: Yes

Senator Kilzer: Closed the meeting.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
4/3/2017
JOB # 29887

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Pam Dever Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Attorney General

Minutes: 1.Section (untitled information regarding HB 1003)

Chairman Kilzer called the Subcommittee to order on HB 1003 at 9:00 am in the Harvest Room. Let the record show that all three members are present: **Chairman Kilzer, Senator Sorvaag** and **Senator Mathern**. **Becky J. Keller, OMB and Chris Kadrmas, Legislative Council** were also present.

Senator Kilzer: We will have a little bit different procedure. He handed out an untitled document regarding HB 1003 (See Attachment # 1) All though we do have in hand what was to be the final amendments, I want to talk about the possibility of an antifraud unit being established. That is why the policy committee is here, because that is being proposed. There was a meeting last Friday with the Attorney General (AG) office and the Department of Human Services (DHS) and the executive branch. There were no conclusions out of that meeting. I would like to ask **Senator Sorvaag** to ask the questions that are on our minds.

Senator Sorvaag: This was brought to us a week or so to put this on. The fraud act and the fraud unit. The committee had decided not to look into it. There were 3 bills in the House. 1174, 1225, 1226, that dealt with this. The only one that survived was HB1226, and it was turned into a study. That is already signed by the Governor. This is a lot of policy to hang on a budget. The subcommittee wanted the policy and Judiciary and DHS to be able to put some input into this. Who wants to lead this off? Go forward as you want.

Rebecca Ternes, Director of Operations for the governor's office: We know the governor is supporting consideration of the Medicaid Fraud Unit. It includes two agencies, one of which is an executive branch agency. We are the only state in the nation without a Medicaid fraud unit. It takes a pretty efficient use of funds to bring in dollars and the amount of reimbursement that they get back is much more than they spend. It also included some of the drug settlement numbers as well. We asked the sub-committee to take another look at this in the Senate. DHS has had numerous audit findings in the past. We haven't had a fraud unit, but we are certain if we find fraud elsewhere, we probably have fraud in Medicaid as well. I will open this up. Maybe the AG's office can speak as well. **(0.4.55)**

Chairman Kilzer: Rebeca, I appreciate the numbers you shared on Friday. For ND, what would the recovery probably be and what would be the expenses?

Ms. Ternes: I think the AG's office prepared the fiscal note. It would be better to get what they expect to recover in the future. It would be less in the 1st biennium and more in the 2nd biennium. They could speak to the expenditures and the federal match. **(0.5.40)**

Chairman Kilzer: I was going to make the point this does add to the overhead of the providers also. Defensive medicine has come about 20 or 30 years ago with the huge malpractice issues. This would have a parallel situation in that when instituted, it would require answering a lot of responses to inquiries. That would give rise to overhead expenses. How is it perceived that investigations would be started? Would it be citizens' complaints or routine red flags that appear?

Ms. Ternes: DHS already has a compliance area where they are constantly gathering data and analyzing data for patterns, mistakes. Some is human errors. Some is coding that is wrong. That same data would be shared with the AG office. They would have direct access into that data base. Initially there is no additional reporting requirements that are needed, but certainly a complaint might start the process. Yes, there would be absolutely more work if an investigation was opened.

Senator Mathern: We have seen various amendments that were offered. Is there a new set of amendments to be handed out?

Ms. Ternes: There is a set of amendments that were prepared for the sub-committee, but they have not changed. They were prepared by the AG's office to bring the 3 bills together.

Senator Sorvaag: I would like to ask the Attorney General a few questions. **(0.08.39)**

Wayne Stenehjem, Attorney General: This would be something our office would be happy to do and we did not start this. It seems to me this makes a good public policy. Last session the Senate passed it, and the House did not pass it. We have been operating without a Medicaid fraud unit for many, many years. We are the only state that does not have one. We recently got a letter saying our exemption is now at an end. An advantage is that the federal government does pay 90% of the expense. You are also able to retain a portion of the money that you recovered as a result of fraud. The fiscal impact would probably not negatively impact the overall general fund. We need two things if you have a Medicaid Fraud Unit. You need a false claims act. We have amendments for that. Then you need the Medicaid Fraud Unit with the six people to run it. We worked on trying to amend the bill and take out controversial portions from the House bill that was passed. That's what was drafted and sent to the sub-committee the last time we met. **(0.11.06)**

Senator Kelly M. Armstrong, District 36: Thanks for inviting us. I am assuming we are not reinventing the wheel here. I went through all of these. This has to be similar to other states, correct?

Attorney General Stenehjem: It is. We looked at similar sized states, South Dakota, Wyoming, and Montana.

Senator Diane Larson, **District 30:** Ms.Ternes said that DHS already has a procedure for looking for irregularities. Would you be working with them or would you be taking that portion over?

Attorney General Stenehjem: I can't answer that fully. We will work with DHS, and we do some of that already. We are a dedicated unit so we only can work with other states on potential issues that they have on medication, prescription abuse and those kinds of things.

Senator Diane Larson: I was kind of curious about duplication. **(0.12.53)**

Attorney General Stenehjem: We would do whatever we can to reduce that and work with them. Medicaid goes through DHS, so they are an important component.

Senator Sorvaag: We have the letter too stating that the waiver has come to an end. What does it mean? It is going to be tomorrow or six months? Because that's the sticky point.

Attorney General Stenehjem: You are exactly right. The letter says you have 60 days to come up with a plan of what you are going to do to establish the Medicaid fraud unit. Can we say we are studying it, as that one House bill has been amended and we come back in two years , if that's going to satisfy them or not, I don't know the answer to that.

Senator Sorvaag: If they came tomorrow, and said the waiver is done by June 1st, is that possible. Does that mean June 1st we'd better have a unit or would it be 60 days beyond June 1st?

Attorney General Stenehjem: If they said June 1st is the day we have a real problem. You lose a significant portion of your Medicaid payments and I have little doubt if that were to happen. I don't know if it did, but if it did you would have to come back to a special session, I think, to alleviate it because it's too much money to react otherwise. **(0.14.30)**

Senator Judy Lee, District 13: I also appreciate you inviting our committee to attend here. I do have more than 1 question. I know it is 90% funding for the first 3 years. After that does it go away? She was told it goes down to 75%. I would like to see the fiscal note. That Medicaid fraud unit went away after I got here. It was taken out because there wasn't enough money being recovered to cover the costs of running the unit. When I look over these amendments, it includes not only provider abuse financially over billing or whatever; but it also appears to cover complaints about care being provided in facilities. I don't think the Attorney General's office would begin on, although I certainly know that you would end up in it. So part of the earlier question about overlap with DHS really needs to include, it isn't the fact that they are doing nothing. The DHS are doing things right now, and do discover ways in which there was inappropriate billing, etc. But does it have to be as extensive as what the amendments are? It takes 6 FTE, which I would love to see elsewhere right now. I want to know what it will cost, and what is going on with the whole thing. Is it a big deal to eliminate

a fraud unit as it exists in DHS now? But that is working. Is this a cannon to go after a fly? **(0.16.43)**

Attorney General Stenehjem: Perhaps it might be useful if the amendments could be addressed by Lonnie Grabowska and Perril Grossman. It is important to remember that the federal government is coming in, and they have said you are done not having a Medicaid Fraud Unit. When that will happen, we speculate. If I could do that, and then cover the amendments, they're going to you give a better answer. (0.17.20)

Senator Judy Lee: I am not suggesting that we ignore the federal government. They don't seem to know that we are doing some things and that's why we read in the paper once in a while about catching fraud. My question is, does it have to be as humongous a project as these amendments set up or can it be more streamlined with what the smaller states use?

Attorney General Stenehjem: We looked at other states, similar size, and crafted ours like they have.

Senator Curt Kreun, District 42: I wanted to follow up to with what Senate Sorvaag was eluding to. Does HB1226, even qualify for meeting the requirements of what they are stating. In the requirement it states the Governor was notified and the exemption was denied and the state had 60 days to submit a plan to implement a Medical Fraud Unit. It does not say study. It says Unit. Does this bill meet that criteria?

Attorney General Stenehjem: It is hard for me to say if we will meet the criteria or not. We do have that letter. We have 60 days to come up with a plan. I think the question has been asked of the feds, but we have not gotten any answer.

Senator Kreun: If that indeed is, are we going to lose any funding from the federal government in those two years, if we have no fraud unit? Do we risk losing that period of time even if they let us in two years make a fraud unit? **(0.20.07)**

Attorney General Stenehjem: It is not realistic for ND to think they are the only state that doesn't have Medicaid Fraud. Or we will lose money or maybe we have already because we don't have the Unit.

Parrel Grossman, **Director of AG Consumer Fraud and Anti-Trust in AG Office: (0.21.04)** We have had extensive conversation with feds involved in this program. Yes, what we have proposed in this latest draft, will meet the requirements of that program. The feds have specific requirements. It is their money when they give 90%. They want to see that the law is a certain way and administered a certain way. I don't think there are heavy handed provisions in here. I do not think there would be duplication with DHS. It defines what is abuse, what are claims, and setting forth all those rules. It provides for penalties. Designed to be a whistle blower statute. If the private party wants to continue to bring an action forward, and AG looks and says, we don't think it is appropriate and not going any place, then AG has ability to dismiss that with a hearing. **(0.25.26)**

Chairman Kilzer: Mr. Grossman, has anybody prepared a fiscal note as Senator Gary Lee has talked about?

Mr. Grossman: I think Kathy Roll has.

Senator Armstrong: A lots of things have changed in D.C. since January 6th, the date on this letter. Where is new administration on this? Are they still standing by this letter?

Kathy Roll, Financial Administrator for the Attorney General: The original fiscal note we provided at the start of the session, provided for about $1M in general fund money. It is very difficult to come up with the estimate of what we would be receiving. We looked at what SD received and others and based our estimate on that.

Senator Sorvaag: Per biennium, the $1M?

Ms. Roll: Yes. The first biennium we didn't show any revenue. We will need to hire staff and then setting up the program. In terms of expenditures, the biennium would be $156,000 and the federal government will kick in $1.4M. The general fund portion is $156,000 and the federal portion is 1.4M. The $1M is revenue.

Senator Howard Anderson, District 8: Right now with the Medicaid Dept., when they identify significant areas of fraud, usually the Office of Inspector General gets involved. How do you see the Attorney General working back and forth with Inspector General? Do we replace them? How does that work?

Lonnie Grabowska, Deputy Director of ND Bureau of Investigation: Currently, if the DHS Medicaid program unit finds a discrepancy such as fraud it is forwarded to the Office of Inspector General out of Kansas City. That is the closest law enforcement federally. They are currently covering the entire area in Kansas City. AG would be the ND unit. We would do the provider fraud like billing for services not provided. More expensive serves than actually provided. Double billing is a common one. Services that should be combined into one billing and they aren't. On the recipient side, right now, the Medicaid Unit is under DHS doing false information for Medicaid eligibility, paying cash for certain services, etc. There is recipient fraud and there is provider fraud. The Medicaid Fraud Unit is created to work on the provider fraud, which is now being sent down to Health and Human Services Office of Inspector General in Kansas City. **(0.30.47)**

Senator Merrill Piepkorn, District 44: If the federal government is paying for 90% of the program, we are paying 10%. When we talk about recovered funds, is that when we talk about splitting what we collect in recovery, and does 90% go to the federal government and ND get 10%? Is that enough to cover out costs?

Maggie Anderson: Department of Human Services (DHS) The money is generally returned to the federal government at the match rate. In Medicaid most services are at 50/50. Medicaid expansion can play into % also. The other thing with the false claims act, when the DHS had requested that in 2007 session, we would have been able to keep an additional 10% of the recoveries. In the example of the 50/50, the state would have been able to keep an additional 10%. Do not know if that is in the current language. At a minimum, we should be able to keep 50%. I know the AG also mentioned recipients and keeping a portion of it. IT depends House that pulls into it. Maybe it was Parrel who said that. **(0.32.38)**

Senator Anderson: Can you explain what the DHS does now in fraud cases? What areas you expect to off load to AG office that you do now?

Ms. Anderson: (0.33.21) Today what our program integrity unit does is a variety of data mining. We are just looking across that data for different things that pop up. We may talk to collogues and other payers, other states for ideas, and go to national meetings on regular basis. This keeps us abreast of what is happening with health care fraud. We look at that data, and we may find providers, groups or individual, where we notice a problem. We find claims errors all the time. Maybe someone fat fingered a number on a claim. Maybe someone unbundled and it was one time. They may have billed a code with another one we should not have in our system. We don't consider that fraud. We consider those billing errors, and we do education to correct that. When we find something that we suspect to be fraud, we turn it over to the Office of Inspector General and we also have worked with state's attorneys to turn that information over. Depending on levels of what recoupment may look like, somethings those cases are not prosecuted. **(0.34.24)**

Senator Anderson: When we pass the Affordable Care Act, part of what we said was going to pay for that was fraud recovery. We see those errors you mentioned are counted as fraud. We want our fraud unit to look better, obviously. When I asked about what responsibilities did you feel like you could off load to AG office, can you explain?

Ms. Anderson: We would expect that those cases that we might be turning over to state's attorney and OIG, we would turn that over to the Medicaid Fraud Control Unit. They would investigate and prosecute. We would potentially be data mining for similar things at times. The Fraud Unit has access into the Medcaid claims universe of data. They have to keep a wall between the two agencies. They could also be investigating the Medicaid Agency. So there can't be that direct hand holding and sharing, but if we see something, we would throw that to Medicaid Fraud. **(0.35.56)**

Senator Judy Lee: I get the Medicaid fraud financial side of this thing. I don't think it as abuse and neglect. My question still stands; do we have to have the physical side of this in here. Mr. Grossman said, we do. How is that going to work? You and the Health Dept. have different roles in this whole thing. Rather than looking at working with the money thing, do the feds get their cut after calculating or before calculating what we pay off to the whistle blowers? **(0.37.34)**

Ms. Anderson: With regard to the potential abuse, neglect, and exploitation, etc. of individuals who are in an institution, I see that looking like the Medicaid financial pieces. The work that the Medicaid division does now, to look at claims data, and analyze that for human error and potential fraud or claims processing issues. That adult protective services, your ombudsman, your health dept. visits in to a facility would still all have their roles. But as they do those roles, sometimes it is self-neglect and trying to get the person connected to services. Sometimes it truly is exploiting them, or there has been potentially a crime. In those cases, there are processes in place now to work with state's attorneys and others so I would see the Medicaid Fraud Unit getting those cases if they are Medicaid clients. If they are private pay, them those other avenues would occur. In first year, all state agencies would have to have conversations together, and work out memorandums, so we clearly know whose role

is what. We have not had a fraud not before, so maybe different agencies have taken on roles that now would go to the fraud unit. I don't think we would be looking at any duplication. It would be more hand offs to a state agency to look at some of those things. You have to have the recipient piece for the health and safety items as well as the provider fraud component to have a certified Medicaid Fraud Unit. **(01.39.49)**

Chairman Kilzer: Any more questions on this amendment?

Ms. Anderson: I will answer Senator Armstrong's questions. A couple of weeks ago, when we learned there may be an amendment, I asked the feds about the False Claims Act, about the Medicaid statute and whether those two needed to go along with the establishment of Fraud Control Unit. I asked CMS, in general, is anything had changed. Keeping in mind that January 6, was the previous administration. We are in the new administration. They are not saying anything has changed nor that it wouldn't change. In Governor Burgum's letter back to them, he said I would keep the federal government involved and informed in each of the actions that occurred on the 3 bills at the time. I have done that. They have not responded back expect to say thank you and we have your information. The letter does say that the Governor had requested an extension to the 60-day time frame pending the outcome of the legislation. Two bills had been defeated, so I was putting together something to implementation time line. I have stopped that pending what happens with this here.

Senator Howard Anderson: How does Medicare Fraud and Medicaid Fraud work together?

Ms. Anderson: There are times when the office of Inspector General is doing an audit. They will reach out to us for data, sometimes. Sometimes they ask us to look at our data in that area and see if we have problems. Often times they prefer to take the lead if there is cross over of Medicare and Medicaid. Depending on the provider type, the Medicare side is larger, so they take that lead. We work with them all the time, and if we find something where we know there is Medicaid funding, we provide that information to them. We would never investigate the Medicare side in our office. **(0.42.52)**

Senator Mathern: I see this as creating an entity that has a greater focus and then greater expertise, although many of these individuals in all of these departments are already attentive to fraud. Do you believe it would be easier to get to fraud and resolve issues if you had a local state agency focused on this versus communication with a federal agency in Kansas?

Ms. Anderson: Certainly having a dedicated unit that does Medicaid fraud, when identified, would be an advantage. Today, if you go to OIG or to a state's attorney, they have a variety of things. It may not be a priority. This unit, it would be their work and focus.

Senator Sorvaag: You can see inviting the policy people was a good idea. They asked good questions and this is a lot to put on a budget. I want to ask Chris a question. Is there any way you can build a trigger mechanism in? So we don't put this in as date specific but some trigger if the hammer came down and we had to do it; so wouldn't have to come in on a special session.

Chris Kadrmas, Legislative Council: I believe we could attach a contingency. I would need to talk to Alan Knudsen and John Bjornson and Jim Smith. I believe it would be something that we could do.

Chairman Kilzer: Any questions? Do you have anything else that you wish to tell us?

Parrell Grossman: I do believe the money from the feds could come right off the top.

Chairman Kilzer: We will close the meeting. We will have to schedule another meeting. We are adjourned.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
4/4/2017
JOB # 29930

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Marie Blumm for Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Attorney General.

Minutes:

1.Proposed Amendment # 17.0488.02005
2.Christmas tree version of HB 1003
3.Proposed Amendment # 17.0488.02004
4.Section 10. Contingent Effective Date

Chairman Kilzer: Called the Subcommittee meeting on HB 1003 to order in the Harvest Room at 3:00 pm on HB 1003. Let the record show that all subcommittee members were present: Senator Kilzer, Chair; Senator Sorvaag Senator Mathern. Chris Kadrmas, Legislative Council and Becky J. Keller, OMB were also present.

Chairman Kilzer: We are here to look at two separate amendment documents and maybe a third document. Senator Sorvaag and Legislative Council can take it over from here.

Senator Sorvaag: Presented Amendment # 17.0488.02005. (See Attachment #1) and I think we all have a Christmas tree version of that too. (See Attachment # 2) It restores four of the BCI Criminal investigators, restores DNS scientist and adds one technician for criminal history background checks. This Amendment also puts funding in, $280,000 for the uniform crime reporting rewrite and 100,000 for the DOS based deposit system rewrite. Another component was what was dealing with Marsy's Law. It was the 7 cost share program was part of it, we determined that the local political subs would contribute $315,000 towards developing this reporting program. In section 8 the $500,000 to the Attorney General's office to fund their share of the Marsy's Law. The $500,000 would come from the rent savings if the Job Service main building would become available. If that doesn't come about, then later in the amendment, the $500,000 would come out of oil and gas impact grant money from the state treasury. I think there is other languages, there's some fee checks; that is the 6 points we talked on and this amendment addresses that.

Senator Sorvaag: Moved the amendment 17.0488.02005. 2nd by Senator Mathern.

Chairman Kilzer: Does that satisfy the 6 points?

Kathy Roll: It looks as all that the committee discussed is in there. Except the Medicaid fraud.

Chairman Kilzer: We will have the clerk call the roll on the Amendment # 17.0488.02005.

A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0. Motion passes.

Chairman Kilzer: The next one is Amendment # 17.0488.02004. (See Attachment # 3)

Senator Sorvaag: Explained the amendment to the subcommittee. This amendment establishes the Medicaid Fraud Unit. The only thing added is the last two sections, 9-10. Section 9 deals with the appropriations, there would be $156,000 of general fund and the rest would be federal dollars. The critical section is Section 16, we talked about a contingent effective date. What you are looking at is the change.

Chris Kadrmas, Legislative Council: The change would essentially look at Section 10, look at what has been reduced, see testimony #4 Section 10; the second line 'has been reduce' that would be replaced with 'will be reduced on a date certain prior to the convening of the 66th legislative assembly. The only other change, where it says Medicaid Fraud Unit it would all read Medicaid Fraud Control Unit.

Senator Sorvaag: Moved amend 17.0488.02004 with the changes handed out # 3. 2nd by Senator Mathern.

Senator Mathern: I think this is the epitome of walking down the line I appreciate all the work the people have done and Senator Sorvaag getting us the amendment.

A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0. Motion passes.

Chris Kadrmas: If the committee would like it combined I could get it together.

Chairman Kilzer: Or we could keep them separate. That might be a better idea to allow the Appropriations Committee members to look at each one and give their vote on each separately.

Senator Sorvaag: I think I'd like to present them as one and let the committee vote on it and then we could have the corrected language on the temp section.

Senator Mathern: It would be best if this would be combined. If the staff can do that, I suggest we do that. Getting all the paper work done as soon as possible is what we want.

Chairman Kilzer: Let's combine them into 1 amendment. We won't meet again; thank you. We are dismissed.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1003
4/5/2017
JOB # 29934

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Delzer

Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED for the Attorney General's budget.

Minutes: 1.Proposed Amendment # 17.0488.02006

Chairman Holmberg: called the Committee to order on HB 1003. Roll call was taken. All committee members were present. Becky J. Keller, OMB and Chris Kadrmas, Legislative Council were also present. The first item today is HB 1003.

Senator Kilzer: Moved the amendment # 17.0488. 02006. 2nd by Senator Sorvaag.

Senator Sorvaag: The Amendment 02006, for the Attorney General's budget is one set of amendments but there's really two parts in the explanation. I will do the basic amendments we did first. We added, and it will just show under the employee lines. The House had reduced by 19 FTE's, from 250 to 231. Your committee is recommending adding 6 of those positions back in, 4 BCI Investigators, 1 D & A Scientist and 1 Identification Technician who's primary responsibility is to back-ground checks for concealed carry and different applications of back-ground checks of individuals for other things. Also under the normal part, if you go to 2nd page of amendments, right at the top, you'll see the 3rd item down, it says Uniform crime rewriting, and we're adding in $280,000 and this is just to update the software. It keeps track of all the crime statistics throughout the state and is distributed to all the political subs and everyone else and it's used by policy makers and everyone else. The other one, is a DOS based deposit system rewrite, for $100,000 and I's basically for rewriting some of the software from the DOS format to a NET format. If you go to Section 8,9,10, they have to deal with Marsy's Law. The Attorney General's Office is anticipating that it's going to cost $800 plus thousand to get everything set up to deal with the victim notifications or stuff that are dealing with Marsy's Law. The counties and the political subs have a responsibility to set up some of this software to keep this information. So what those Sections are doing, Section 8 is We are appropriating $500,000 to the Attorney General's budget of the $850,000 to set up the funding to just develop this program. If you read Section 8, how it's written the job service is going to be leaving their central office building. The Attorney General is hoping if the building is not sold and it's kept by the state that they could move over there. And they are anticipating that they would have a rent savings. So how we are paying for the $500,000 is by the rent savings that they'd have in the Attorney General's office to relocate to that

building. If none of that would work out this $500,000 would then, if you go to the lower part of the paragraph, would be there is some oil and gas impact grant fund money that's left and needs to be transferred over and, we've gotten word that could being used somewhere else, I don't where it is, unless that's changed, but as the ultimate way of finding the $500,000 it would come out of that granting if they couldn't do it through their operating line. Sections 9 and 10 just authorizes them to set up a cost sharing program with the local subdivisions about Marsy's Law. But that $315,000 would come through this cost sharing from the local political subs. Counties, predominately, because they are going to have to set up this system. The whole object of this language is so everybody works together and tries to establish the system as one system, and everybody contributes with that. (0.07.05) The rest of the amendments have to deal with the Medicaid Fraud Act. You'll see that involves many pages and yes, it's a policy bill. Since the 1990's ND had a waiver on setting up a Medicaid Fraud Unit. The federal government requires that many states had waivers, and a lot of them had developed that unit. We are the only state of the 50 that does not have a unit at this time. There were three bills over in the House, two got killed and one got changed to a study, to study a plan. We passed that study and the governor signed that study, so that is in place. The next interim would study and come out with a plan. And why this is being brought forward again, there was a letter, and it was dated in January, but from the Centers for Medicare & Medicaid Services (CMS) that there had to become a plan to institute a Medicaid Fraud Unit. They wanted to know what it is, and so that was dated 60 days, that was 60 days a couple of weeks ago, and nobody has heard anything yet. If this sounds confusing, it is confusing. There is a real concern that they are going to put the hammer down one of these days and say "We have to have a Medicaid Fraud Unit". And if we don't we are going to lose Medicaid funding. So the option will be if we don't do something this session we'll probably have to come in and do it because this can only be set up by the legislature. But to have the Medicaid Fraud Unit you do have a Medicaid Fraud Act. Section 11 is setting up the Medicaid Fraud Act. That is the Act, I am not going to attempt to explain it to the committee at this point, there are many pages, it talks about the amount of penalties, the statute of limitation, all that would have to be done and it establishes unit and all that. Section 12 **(0.09.28)**

Senator Robinson: Do we have a price tag on the Fraud Unit.

Senator Sorvaag: I am getting to that. Section 13, would establish the Medicaid Fraud Unit. It's going to cost about one million and a half dollars to set up the Medicaid Fraud Unit. There would be six individuals; two attorneys, two investigators, an audit position and an administrative position. The federal government for the first three years will pay 90% of the costs. And then after that, I think it's three more, they pay 75%. Now, any money that's recouped in that time would be divided at that percentage also. So if there is money recouped we would only get 10% of it. They take 90% for funding it. So, if you look at Section 13 there is an appropriation for $156,160 of state money and the rest is federal funds of $1,405,444. at have this most years it's self-supporting as it goes along. They do find enough fraud to pay for this. If you look at South Dakota, over the last 6 years, they made money most of the years. It varies from year to year. Then the last one, Section 18, which is a lot of policy. **(0.11.08)** We really had a struggle putting that in, because we don't know. They might come next month and say we have to establish this and then we're going to have no option. We could be here in January of 19 and still not needing to do it. No one knows what the date is. So Section 18 is a contingent effective date and it basically says Section 12, which is the Fraud Act and Section 13, which sets up the control unit, is contingent on the language that

is written there. I think the last couple sentences, it's going to be, the Executive Director of DHS certifies to the Legislative Council and the Director of OMB that the federal medical assistance funding is no longer going to be available before prior to convening the 66th legislature and at that point that would activate setting up the Fraud Unit and it would put the Medicaid Fraud Act into effect. That is what we are doing. **(0.12.17)**

Chairman Holmberg: What would be the impact of these Sections if no letter is received from CMS?

Senator Sorvaag: My understanding, and we can Chris to address this, but what was asked is contingency nothing is what the intent of the committee was. There was a lot of work on the wording. I'd like Chris to address that too.

Chris Kadrmas, Legislative Council: That is correct. The only time Section 12 and the appropriation would be effective is upon the state, the Human Services contact the legislative and OMB that the state is at risk of losing the funding. The assumption would be that they have an end date for the funding from the federal government. At that time they'd make it known and then, it would become effective once the Legislative Council was aware of it and OMB. **(0.13.26)**

Chairman Holmberg: They would have a hard date though because you said that they are at risk. Right now they are at risk but what you are saying that is that this language would say on October 1, 2017, you will start losing your funding then this would kick in.

Chris Kadrmas: That would be correct.

Senator Mathern: I would just add to Senator Sorvaag's description that each of our home counties are dealing with Marsy's Law implementation and the amendments here will help each of our home counties save resources. Senator Grabinger raised this issue early on, so we wove this in so that each county in the state hopefully could contain its expenditures by us working together. So when you get folks back home saying it's going to cost us another person or two to enforce Marsy's Law, get them involved working with the Attorney General to save some of that expense. **(0.15.16)**

Senator Hogue: On the discussion of the amendments I appreciate what the subcommittee has done with the contingency providing that it will spring into effect if we get some sort of indication from CMS that we'll lose funding. I would like to speak against Sections 12 and 13. I think if the committee will recall when the nursing home administrators and other folks came and testified before the whole committee, there biggest complaint was the amount of regulation that they have to deal with just to comply. For every nurse or every CNA that's taking care of patients they have that's trying to comply with the erroneous regulations on the state. So, What are we doing here? We're adding more regulations and adding more positions to enforce more regulations. Like I said, I appreciate the work of the subcommittee, but if the federal government hasn't told us or imposed any consequences and have been telling us about it since 1990, and we've had an administration for eight years that I know strongly supported this creation of this Medicaid Fraud Unit and it hasn't happened in those eight years, I don't think it's going to happen under the new administration. I appreciate the contingency in Section 18, but I think that's sort of inviting the letter that we don't want to get.

I am going to go with the nursing home administrators and I am going to go to say no more regulation and If there is going to be a consequence, we can deal with that. I just feel that their plea to us is a reasonable plea and we should heed it. **(0.17.19)**

Chairman Holmberg: Where is the option, because there are a number of things in here that you probably agree with. We can always divide this question and vote on all of the amendments except 12,13 and 18 and then vote on that separately so you have an opportunity to support other things that you might like. **(0.17.37)**

Senator Mathern: Just you are aware we did not just work on the contingency. We also worked on the implementation of this so when the nursing home administrators and other people objected to the onerous requirements, it was in part related to the original bills. This amendment actually has changed some of the owner's requirements, the Attorney General's involvement, make the amendments less onerous in terms of the implementation that you accurately request. Just so you know there was also work in that regard and it was an attempt by the governor's office, by the DHS and the Attorney General to change the bills to create this amendment that is less onerous than the original. **(0.19.08)**

Senator Sorvaag: In response to Senator Hogue I don't disagree with anything he said. And we did discuss the fact, if you are saying we are in responding to the hammer, if you put the hammer down, are we encouraging the hammer to come down. It's a very reasonable argument. But we couldn't think of any other way to write a contingency that you wouldn't do that. As far as if the new administration is going to follow through or not follow through with what the previous at the federal level, I don't want to get into debating that because we just got to do what's right for us and we've got to assume the federal government is going to do their things. I am not going to make my decision based on speculation of what they might do in Washington. It's a fair argument. I have no counter to it but it's the only language we could come up with. As far as additional work, absolutely. That's been the big concern all along. That's been the objections from the nursing homes. This is going to cause them more work. But we are not choosing to do it. This is a mandate from the federal government. I don't like mandates, no one likes mandates. Do we want to risk the fact that they're not going to deal with this and let us get by for two years? That's fine. That's a choice we can make. But if they put a date certain, July 31st, we better be willing that we are going to be coming in for at least a 3-day session and we'll have to prove what's in front of us right now. It isn't we have a big say in this. We can take a chance. Yeah, they've forgiven it from the 90's but in the 90s there was many, many other states giving the waivers. We are the only one left. I don't know when the last state went on board. The other 49 are on board. And this is a policy bill in all intents and purposes so I'm not going to sit here and argue and fight for it, I guess the committee can do what they want. But we were asked to bring forward and that's why it's in front of you. With the contingency what the subcommittee came up was our best solution. Could it be worded different, maybe, and I think if we do pass this through and leave it on, at least it keeps this alive for conference committee. There is a lot to go with this bill yet, and maybe at that time there can be better wording or better solutions, so I would still ask for the full committee to approve these amendments as presented. **(0.22.13)**

Senator Robinson: I want to express my appreciation to the committee for the work they have done here. The one issue I wanted to reference is the addition back of the FTE's. I was convinced during the testimony that this is not the time to reduce the Criminal Investigators

that the House did. We still have significant issues across the state, not just out west, and the costs for not doing this is far greater than the cost for doing it. This has to be a priority. I hope we can sustain this in the conference committee. If we fail to do so, we will pay a hefty price. I think this is minimal, I think it's what we need to do. We all appreciate the tight budget but part of the reason our budget is tight is the issue with drug activity with our corrections, the impact on Human Services, on the private sector and all of the above. I want to thank the committee for that restoration. **(0.23.32)**

Chairman Holmberg: What we will do then do you want us to divide the question, we can or we don't have to?

Senator Hogue: I was going to ask Senator Sorvaag if he feels that Sections 12,13, and 18 are divisible from the amendment.

Senator Sorvaag: Yes, they are. They were written as two separate amendments. They were merged together yesterday so they are very divisible. No, everything else presented to you in 12,13 and 18 were completely separate amendments until yesterday when we had them combined. Chris combined them last night.

Chairman Holmberg: All you have to do is ask and we will do it.

Senator Hogue: I would make that request.

Chairman Holmberg: So what we have before us now is all of the amendments to 1003 except Sections 12,13 and 18. The rest of the amendments we are voting on first are Section A. Section B is 12,13 and 18. Would you call the roll on all of the amendments in Section A? A is everything except the Medicaid Fraud Unit. Those three Sections are voted on separately. So, would you call the roll on A?

A Roll Call vote was taken on Section A. Yea: 14; Nay: 0; Absent: 0.

Chairman Holmberg: Motion carried. Now we have before us Section B, which has been discussed but includes Sections 12,13 and 18. Would you call the roll on Section B?

A Roll Call vote was taken on Section B of the Amendment. Yea: 9; Nay: 5; Absent: 0.

Chairman Holmberg: The motion carried. Now can we have a motion on the Bill?

Senator Sorvaag: Moved a Do Pass as Amended on HB 1003. 2nd by Senator Mathern.

Chairman Holmberg: Call the roll on a Do Pass as Amended on HB 1003.

A Roll Call vote was taken. Yea: 13; Nay: 1; Absent: 0.

Chairman Holmberg: The motion carried. Who's carrying the bill? **Senator Sorvaag will carry the bill.**

The hearing was closed on HB 1003

17.0488.02002
Title.

Prepared by the Legislative Council staff for
Senator Kilzer
March 23, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, after the semicolon insert "to authorize transfers;"

Page 2, after line 19, insert:

"**SECTION 4. LINE ITEM TRANSFER AUTHORIZATION.** The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Renumber accordingly

17.0488.02003
Title.

Prepared by the Legislative Council staff for
Senator Kilzer
March 24, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 2, after line 19, insert:

"**SECTION 4. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an exemption and authorizes the Attorney General to continue up to $100,000 of 2015-17 biennium general fund appropriations for higher education legal services and use the funding in the 2017-19 biennium for litigation fees.

SECTION 1. NORTH DAKOTA STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS – APPROPRIATION. There is hereby appropriated the sum of $500,000 from the Oil Impact Fund to the attorney general for the purpose of enhancing the North Dakota Automated Victim Information and Notification Program, as defined in 12.1-34-01, to provide the notifications required by Marsy's Law, as set forth in Article I, Section 25, of the North Dakota Constitution.

SECTION 2. COST-SHARING PROGRAM – APPROPRIATION. 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 North Dakota Statewide Automated Victim Information and Notification Program, as defined in 12.1-34-01, not otherwise appropriated by the legislature, as set forth in Section ___. The cost-sharing program shall apportion the sum of $315,000 among the political subdivisions of the state. The political subdivisions of the state shall contribute funds to the attorney general under the terms set forth in the cost-sharing program created by the attorney general. The funds paid by the political subdivisions to the attorney general are hereby appropriated to the attorney general to defray the expenses of the enhancement of the North Dakota Statewide Automated Victim Information and Notification Program, as defined in 12.1-34-01.

SECTION 3. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the cost share of the political subdivisions pursuant to Section ___ of this act be funded through use of any additional income realized through the victim witness fee as a result of Section ___ of this act, or a proportionate contribution from the counties, and from the cities that utilize the Odyssey system, or a combination thereof.

SECTION 4. 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~~ must, 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~~ must, 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~~ must 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~~ must 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 defined in 12.1-34-01.

SECTION 5. INDUSTRIAL COMMISSION LITIGATION FUNDS – USE. The funds appropriated to the industrial commission for litigation expenses are available to the attorney general for litigation related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota Access Pipeline project.

SECTION 6. CRIMINAL HISTORY RECORD CHECKS – FEES – APPROPRIATION. 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 to the attorney general for such criminal history record check. Any fees collected by the attorney general from such persons or

Prepared by the Legislative Council staff for
Senator Kilzer
March 31, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, after the semicolon insert "to authorize transfers; to authorize fees;"

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to provide legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	$83,714,313	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000
Uniform crime reporting rewrite	0	280,000

DOS based deposit system rewrite	0	100,000
Total all funds	$3,936,157	$695,000
Total special funds	653,333	315,000
Total general fund	$3,282,824	$380,000

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. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Page 2, after line 24, insert:

"**SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL.** As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"**SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS.** 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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 8 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 subdivisions 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~~must, 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~~must, 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~~must 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~~must 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 defined in section 12.1-34-01.

SECTION 12. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

"**SECTION 15. 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 16. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$40,503,865	$40,267,284	$977,482	$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372
Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000
SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Total all funds	$83,714,313	$74,730,548	$2,198,612	$76,929,160
Less estimated income	35,247,452	30,730,548	810,772	31,541,320
General fund	$48,466,861	$44,000,000	$1,387,840	$45,387,840
FTE	250.00	231.00	6.00	237.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 5 FTE Positions[2]	Adds 1 FTE Identification Technician Position[3]	Adds One-Time Funding for Uniform Crime Reporting Rewrite[4]	Adds One-Time Funding for Deposit System Rewrite[5]	Adds One-Time Funding for the SAVIN Cost Share Program[6]
Salaries and wages	($43,964)	$890,000	$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						

Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Total all funds	($50,388)	$890,000	$164,000	$280,000	$100,000	$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	($46,160)	$890,000	$164,000	$280,000	$100,000	$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program[7]	**Total Senate Changes**
Salaries and wages		$977,482
Operating expenses		412,554
Capital assets		
Grants		
Litigation fees		
Intellectual property attorney		(207)
Abortion litigation fees		
Medical examinations		
North Dakota lottery		(1,970)
Arrest and return of fugitives		
Gaming commission		
Criminal justice information sharing		(1,037)
Law enforcement		(3,210)
Additional income appropriation		
SAVIN cost share program		315,000
Contingent funding for the SAVIN program	500,000	500,000
Total all funds	$500,000	$2,198,612
Less estimated income	500,000	810,772
General fund	$0	$1,387,840
FTE	0.00	6.00

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

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

[3] Adds 1 FTE identification technician position ($131,446) and related operating expenses ($32,554).

[4] One-time funding of $280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

[5] One-time funding of $100,000 from the general fund is added for a DOS based deposit system rewrite.

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

[7] Contingent funding of $500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of $500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, $500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds an emergency clause regarding the SAVIN program enhancements.

17.0488.02004
Title.

Prepared by the Legislative Council staff for
Senator Kilzer

April 3, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, replace "and" with "to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud unit;"

Page 1, line 3, after "council" insert "; to provide a penalty; and to provide a contingent effective date"

Page 3, after line 12, insert:

"**SECTION 8.** Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.

3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:

   (1) Presented to an officer, employee, or agent of the state; or

   (2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:

      (a) Provides or has provided any portion of the money or property requested or demanded; or

      (b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.

   b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" require no proof of specific intent to defraud and mean a person has actual knowledge of the information and acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.

9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.

13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.

14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.

15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.

16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid.

17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

    a. Pertaining to the provision of treatment, care, services, or items to a recipient;

    b. Pertaining to the income and expenses of the provider; or

    c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

    a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

    b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

    c. Conspires to commit a violation of this subsection;

    d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

    e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or

    f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. In a civil action brought under this section, a court shall assess a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, and no less than twice and no more than three times the amount of damages the state sustains because of the person's act. However, the court may assess no less than twice the amount of damages which the state sustains because of the act of the person and the person is liable to the state for the costs of the civil action brought to recover any such penalty or damages if the court finds the following:

a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;

b. The person fully cooperated with the investigation of the act by the attorney general; and

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:

   a. Six years after the date on which the violation was committed; or

   b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought pursuant to subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:

   a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

   b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

   a. Limiting the number of witnesses the person may call;

   b. Limiting the length of testimony of witnesses called by the person;

   c. Limiting the person's cross-examination of witnesses; and

   d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to

be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were coplaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent,or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The

Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the Medicaid fraud control unit must be appropriated from the state general fund.

54-12.1-15. Powers and duties of Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:

   a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

   b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

   c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

   d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

   e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and

   f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.

2. The Medicaid fraud control unit may:

   a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

   b. Upon request, obtain information and records from applicants, recipients, and providers;

   c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and

recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:

   a. Produce the documentary material for inspection and copying;

   b. Answer in writing written interrogatories with respect to the documentary material or information;

   c. Be examined under oath concerning the documentary material or information; and

   d. Furnish any combination of the material, answers, or testimony.

2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

4. If the demand is for the production of documentary material, the demand must:

   a. Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and

   b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is

directed has been produced and made available to the agent identified in the demand, by:

a. In the case of an individual, the individual to whom the demand is directed; or

b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.

6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the material available for inspection and copying to the agent identified in the demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.

7. If the demand is for answers to written interrogatories, the demand shall:

a. Set forth with specificity the written interrogatories to be answered; and

b. Prescribe dates at which time answers to written interrogatories must be submitted.

8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:

a. In the case of an individual, the individual to whom the demand is directed; or

b. In the case of a person other than an individual, the person responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:

(1) Prescribe a date, time, and place at which oral testimony must be commenced;

(2) Specify that attendance and testimony are necessary to the conduct of the investigation;

(3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and

(4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;

c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the Medicaid program.

2. Any conduct or activity that does not violate or that is protected under this chapter or federal regulations [42 U.S.C. 1395nn; 42 U.S.C. 1320a-7b(b)] is not considered an offense under subdivision b of subsection 1, and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims not exceeding one thousand dollars in value is guilty of a class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this chapter is a class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this chapter is a class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this chapter is a class A felony.

8. For purposes of imposing a sentence for a conviction under this chapter, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, or services involved is the greater of the value of Medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

9. Amounts involved in Medicaid fraud committed under a common scheme or the same transaction may be aggregated in determining the value involved.

10. A person convicted of the offense of Medicaid fraud must be suspended from participation in the Medicaid program:

    a. For not less than one year for a first offense, or the person may be permanently terminated from participation in the medical assistance program;

    b. For not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

    c. Permanently for a third offense.

11. In addition to any other penalty provided by law, a person convicted of Medicaid fraud is not entitled to bill or collect from the recipient, the Medicaid program, or any other third-party payer for the services or items involved and shall repay to the Medicaid program any payments or benefits obtained by any person for the services or items involved.

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 9. APPROPRIATION - MEDICAID FRAUD UNIT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $156,160, or so much of the sum as may be necessary, and $1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud unit, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the Medicaid fraud unit, the attorney general is authorized two assistant attorneys general full-time equivalent positions, two investigators full-time equivalent positions, one auditor full-time equivalent position, and one administrative assistant full-time equivalent position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud unit.

SECTION 10. CONTINGENT EFFECTIVE DATE. Sections 8 and 9 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state has been reduced as a direct result of the state not being granted a waiver relating to a Medicaid fraud unit."

Renumber accordingly

17.0488.02006
Title.03000
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Kilzer
April 4, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to authorize transfers; to authorize fees; to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a penalty; to provide legislative intent; to provide a contingent effective date; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	$83,714,313	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000

Uniform crime reporting rewrite	0	280,000
DOS based deposit system rewrite	0	100,000
Total all funds	$3,936,157	$695,000
Total special funds	653,333	315,000
Total general fund	$3,282,824	$380,000

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. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Page 2, after line 24, insert:

"**SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL.** As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"**SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS.** 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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 8 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 subdivisions 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~~must, 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~~must, 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~~must 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~~must 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. Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.

3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:

(1) Presented to an officer, employee, or agent of the state; or

(2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:

(a) Provides or has provided any portion of the money or property requested or demanded; or

(b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.

b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" requires no proof of specific intent to defraud and means a person has actual knowledge of the information and acts in

deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.

9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.

13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.

14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.

15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.

16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid.

17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

a. Pertaining to the provision of treatment, care, services, or items to a recipient;

b. Pertaining to the income and expenses of the provider; or

c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

   a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

   b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

   c. Conspires to commit a violation of this subsection;

   d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

   e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or

   f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. If a person commits an act under subsection 1 and a court finds the factors in subdivisions a through c, the court may assess no less than twice the amount of damages that the state sustains because of the act of the person.

   a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;

   b. The person fully cooperated with the investigation of the act by the attorney general; and

   c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the

person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:

   a. Six years after the date on which the violation was committed; or

   b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought under subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take

over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:

   a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

   b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

   a. Limiting the number of witnesses the person may call;

   b. Limiting the length of testimony of witnesses called by the person;

   c. Limiting the person's cross-examination of witnesses; and

   d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred,

plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were coplaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent,or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the medicaid Medicaid fraud control unit must be appropriated from the state general fund.

54-12.1-15. Powers and duties of medicaid Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:

CW 4/5/17 12/20

a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and

f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.

2. The Medicaid fraud control unit may:

a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

b. Upon request, obtain information and records from applicants, recipients, and providers;

c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:

   a. Produce the documentary material for inspection and copying;

   b. Answer in writing written interrogatories with respect to the documentary material or information;

   c. Be examined under oath concerning the documentary material or information; and

   d. Furnish any combination of the material, answers, or testimony.

2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

4. If the demand is for the production of documentary material, the demand must:

   a Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and

   b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is directed has been produced and made available to the agent identified in the demand, by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.

6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the

material available for inspection and copying to the agent identified in the demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.

7. If the demand is for answers to written interrogatories, the demand shall:

   a. Set forth with specificity the written interrogatories to be answered; and

   b. Prescribe dates at which time answers to written interrogatories must be submitted.

8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, the person responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:

      (1) Prescribe a date, time, and place at which oral testimony must be commenced;

      (2) Specify that attendance and testimony are necessary to the conduct of the investigation;

      (3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and

      (4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

   b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

   a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

   b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;

   c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

   d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the Medicaid program.

2. Any conduct or activity that does not violate or that is protected under this chapter or federal regulations [42 U.S.C. 1395nn; 42 U.S.C. 1320a-7b(b)] is not considered an offense under subdivision b of subsection 1, and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims not exceeding one thousand dollars in value is guilty of a class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this chapter is a class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this chapter is a class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this chapter is a class A felony.

8. For purposes of imposing a sentence for a conviction under this chapter, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, or services involved is the greater of the value of Medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

9. Amounts involved in Medicaid fraud committed under a common scheme or the same transaction may be aggregated in determining the value involved.

10. A person convicted of the offense of Medicaid fraud must be suspended from participation in the Medicaid program:

    a. For not less than one year for a first offense, or the person may be permanently terminated from participation in the medical assistance program;

    b. For not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

    c. Permanently for a third offense.

11. In addition to any other penalty provided by law, a person convicted of Medicaid fraud is not entitled to bill or collect from the recipient, the Medicaid program, or any other third-party payer for the services or items involved and shall repay to the Medicaid program any payments or benefits obtained by any person for the services or items involved.

CL
4/5/17
17 of 20

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 13. APPROPRIATION - MEDICAID FRAUD CONTROL UNIT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $156,160, or so much of the sum as may be necessary, and $1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud control unit, for the biennium beginning with the effective date of this Act and ending June 30, 2019. For the Medicaid fraud control unit, the attorney general is authorized two full-time equivalent assistant attorneys general positions, two full-time equivalent investigators positions, one full-time equivalent auditor position, and one full-time equivalent administrative assistant position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud control unit.

SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

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

SECTION 18. CONTINGENT EFFECTIVE DATE. Sections 12 and 13 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the sixty-sixth legislative assembly as a direct result of the state not being granted a waiver relating to a Medicaid fraud control unit.

SECTION 19. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$40,503,865	$40,267,284	$977,482	$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372

Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000
SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Contingent Medicaid Fraud Control Unit			1,561,604	1,561,604
Total all funds	$83,714,313	$74,730,548	$3,760,216	$78,490,764
Less estimated income	35,247,452	30,730,548	2,216,216	32,946,764
General fund	$48,466,861	$44,000,000	$1,544,000	$45,544,000
FTE	250.00	231.00	12.00	243.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 5 FTE Positions[2]	Adds 1 FTE Identification Technician Position[3]	Adds One-Time Funding for Uniform Crime Reporting Rewrite[4]	Adds One-Time Funding for Deposit System Rewrite[5]	Adds One-Time Funding for the SAVIN Cost Share Program[6]
Salaries and wages	($43,964)	$890,000	$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Contingent Medicaid Fraud Control Unit						
Total all funds	($50,388)	$890,000	$164,000	$280,000	$100,000	$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	($46,160)	$890,000	$164,000	$280,000	$100,000	$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program[7]	Contingent Medicaid Fraud Control Unit[8]	Total Senate Changes
Salaries and wages			$977,482
Operating expenses			412,554
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			

Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			
Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program			315,000
Contingent funding for the SAVIN program	500,000		500,000
Contingent Medicaid Fraud Control Unit		1,561,604	1,561,604
Total all funds	$500,000	$1,561,604	$3,760,216
Less estimated income	500,000	1,405,444	2,216,216
General fund	$0	$156,160	$1,544,000
FTE	0.00	6.00	12.00

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

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

[3] Adds 1 FTE identification technician position ($131,446) and related operating expenses ($32,554).

[4] One-time funding of $280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

[5] One-time funding of $100,000 from the general fund is added for a DOS based deposit system rewrite.

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

[7] Contingent funding of $500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of $500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, $500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

[8] Contingent funding of $1,561,604 is added from the general fund ($156,160) and federal funds ($1,405,444) and authorizes 6 FTE positions (2 FTE assistant attorneys general positions, 2 FTE investigators positions, 1 FTE administrative assistant position, and 1 FTE auditor position) for the creation of a Medicaid Fraud Control Unit. The creation of the unit is contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds three sections relating to the contingent creation of a Medicaid Fraud Control Unit. The sections provide for the creation of Chapter 54-12.1 and appropriates $1,561,604 from the general fund ($156,160) and federal funds ($1,405,444), along with the authorization of 6 FTE positions, contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.
- Adds an emergency clause regarding the SAVIN program enhancements.

Date: 3/29/2017

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☒ Subcommittee

Amendment LC# or Description: 17.0488.02002 & 17.0488.02003

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Kilzer Seconded By Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	Y	
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer	Y				
Senator Lee					
Senator Dever					
Senator Sorvaag	Y				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/29/2017
Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☒ Subcommittee

Amendment LC# or Description:

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☒ Sections 1 – 6 (pages 1 & 2 of testimony # 1 – minus the last sentence 2)

Motion Made By Senator Kilzer Seconded By Senator Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	Y	
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer	Y				
Senator G. Lee					
Senator Dever					
Senator Sorvaag	Y				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

The vote was to adopt the sections listed on pages 1 & 2 of testimony # 1 except the last sentence on page 2. (Sections 1 – 6 minus the last sentence)

Date: 4-4-17

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☒ Subcommittee

Amendment LC# or Description: 02005

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sorvaag Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	✓	
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer	✓				
Senator Lee					
Senator Dever					
Senator Sorvaag	✓				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4-4-17

Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations 02004 & Section 10 Committee

~~☑~~ Subcommittee

Amendment LC# or Description: 17.0488.02004

Recommendation: ~~☑~~ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sorvaag Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern	✓	
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer	✓				
Senator Lee					
Senator Dever					
Senator Sorvaag	✓				
Senator Oehlke					
Senator Hogue					

Total (Yes) 3 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4-5-17

Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 17.0488.02006

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Kilzer Seconded By Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Mathern		
Vice Chair Krebsbach			Senator Grabinger		
Vice Chair Bowman			Senator Robinson		
Senator Erbele					
Senator Wanzek					
Senator Kilzer					
Senator Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Amendment is divided into Section A + B

Date: 4-5-17

Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: Section A of 17.0488.02006

Recommendation: ☑ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☒ divided amendment

Motion Made By _____ Seconded By _____

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4-5-17

Roll Call Vote #: 3

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1003

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: Section B of 17.0488.02006

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☒ divided amendment

Motion Made By _____ Seconded By _____

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele		✓			
Senator Wanzek		✓			
Senator Kilzer	✓				
Senator Lee		✓			
Senator Dever		✓			
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue		✓			

Total (Yes) 9 No 5

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 4-5-17

Roll Call Vote #: 4

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1023

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sorvaag Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue		✓			

Total (Yes) 13 No 1

Absent 0

Floor Assignment Sorvaag

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1003, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1003 was placed on the Sixth order on the calendar.

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to authorize transfers; to authorize fees; to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a penalty; to provide legislative intent; to provide a contingent effective date; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	$83,714,313	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000
Uniform crime reporting rewrite	0	280,000
DOS based deposit system rewrite	0	100,000
Total all funds	$3,936,157	$695,000

Total special funds	653,333	315,000
Total general fund	$3,282,824	$380,000

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. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Page 2, after line 24, insert:

"**SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL.** As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"**SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS.** 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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 8 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 subdivisions 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~~must, 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~~must, 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~~must 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~~must 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. Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.

3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:

   (1) Presented to an officer, employee, or agent of the state; or

   (2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:

      (a) Provides or has provided any portion of the money or property requested or demanded; or

      (b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.

   b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" requires no proof of specific intent to defraud and means a person has actual knowledge of the information and acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.

9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.

13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.

14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.

15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.

16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid.

17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

    a. Pertaining to the provision of treatment, care, services, or items to a recipient;

    b. Pertaining to the income and expenses of the provider; or

    c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

    a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

    b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

    c. Conspires to commit a violation of this subsection;

d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or

f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. If a person commits an act under subsection 1 and a court finds the factors in subdivisions a through c, the court may assess no less than twice the amount of damages that the state sustains because of the act of the person.

a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;

b. The person fully cooperated with the investigation of the act by the attorney general; and

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:

a. Six years after the date on which the violation was committed; or

b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought under subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:

   a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

   b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the

case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

a. Limiting the number of witnesses the person may call;

b. Limiting the length of testimony of witnesses called by the person;

c. Limiting the person's cross-examination of witnesses; and

d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in

settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were coplaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent,or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the

medicaid Medicaid fraud control unit must be appropriated from the state general fund.

54-12.1-15. Powers and duties of medicaid Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:

   a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

   b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

   c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

   d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

   e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and

   f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.

2. The Medicaid fraud control unit may:

   a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

   b. Upon request, obtain information and records from applicants, recipients, and providers;

   c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

   d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:

   a. Produce the documentary material for inspection and copying;

   b. Answer in writing written interrogatories with respect to the documentary material or information;

   c. Be examined under oath concerning the documentary material or information; and

   d. Furnish any combination of the material, answers, or testimony.

2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

4. If the demand is for the production of documentary material, the demand must:

   a Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and

   b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is directed has been produced and made available to the agent identified in the demand, by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.

6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the material available for inspection and copying to the agent identified in the

demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.

7. If the demand is for answers to written interrogatories, the demand shall:

   a. Set forth with specificity the written interrogatories to be answered; and

   b. Prescribe dates at which time answers to written interrogatories must be submitted.

8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, the person responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:

      (1) Prescribe a date, time, and place at which oral testimony must be commenced;

      (2) Specify that attendance and testimony are necessary to the conduct of the investigation;

      (3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and

      (4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

   b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

   a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

   b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;

   c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

   d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the Medicaid program.

2. Any conduct or activity that does not violate or that is protected under this chapter or federal regulations [42 U.S.C. 1395nn; 42 U.S.C. 1320a-7b(b)] is not considered an offense under subdivision b of subsection 1, and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims not exceeding one thousand dollars in value is guilty of a class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this chapter is a class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed ten thousand

dollars in value but do not exceed fifty thousand dollars, a violation of this chapter is a class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this chapter is a class A felony.

8. For purposes of imposing a sentence for a conviction under this chapter, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, or services involved is the greater of the value of Medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

9. Amounts involved in Medicaid fraud committed under a common scheme or the same transaction may be aggregated in determining the value involved.

10. A person convicted of the offense of Medicaid fraud must be suspended from participation in the Medicaid program:

    a. For not less than one year for a first offense, or the person may be permanently terminated from participation in the medical assistance program;

    b. For not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

    c. Permanently for a third offense.

11. In addition to any other penalty provided by law, a person convicted of Medicaid fraud is not entitled to bill or collect from the recipient, the Medicaid program, or any other third-party payer for the services or items involved and shall repay to the Medicaid program any payments or benefits obtained by any person for the services or items involved.

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 13. APPROPRIATION - MEDICAID FRAUD CONTROL UNIT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $156,160, or so much of the sum as may be necessary, and $1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud control unit, for the biennium beginning with the effective date of this Act and ending June 30, 2019. For the Medicaid fraud control unit, the attorney general is authorized two full-time equivalent assistant attorneys general positions, two full-time equivalent investigators positions, one full-time equivalent auditor position, and one full-time equivalent administrative assistant position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud control unit.

SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly,

shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

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

SECTION 18. CONTINGENT EFFECTIVE DATE. Sections 12 and 13 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the sixty-sixth legislative assembly as a direct result of the state not being granted a waiver relating to a Medicaid fraud control unit.

SECTION 19. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$40,503,865	$40,267,284	$977,482	$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372
Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000
SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Contingent Medicaid Fraud Control Unit			1,561,604	1,561,604
Total all funds	$83,714,313	$74,730,548	$3,760,216	$78,490,764
Less estimated income	35,247,452	30,730,548	2,216,216	32,946,764
General fund	$48,466,861	$44,000,000	$1,544,000	$45,544,000
FTE	250.00	231.00	12.00	243.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 5 FTE Positions[2]	Adds 1 FTE Identification Technician Position[3]	Adds One-Time Funding for Uniform Crime Reporting Rewrite[4]	Adds One-Time Funding for Deposit System Rewrite[5]	Adds One-Time Funding for the SAVIN Cost Share Program[6]
Salaries and wages	($43,964)	$890,000	$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						
Grants						

Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Contingent Medicaid Fraud Control Unit						
Total all funds	($50,388)	$890,000	$164,000	$280,000	$100,000	$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	($46,160)	$890,000	$164,000	$280,000	$100,000	$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program[7]	Contingent Medicaid Fraud Control Unit[8]	Total Senate Changes
Salaries and wages			$977,482
Operating expenses			412,554
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			
Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			
Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program			315,000
Contingent funding for the SAVIN program	500,000		500,000
Contingent Medicaid Fraud Control Unit		1,561,604	1,561,604
Total all funds	$500,000	$1,561,604	$3,760,216
Less estimated income	500,000	1,405,444	2,216,216
General fund	$0	$156,160	$1,544,000
FTE	0.00	6.00	12.00

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

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

[3] Adds 1 FTE identification technician position ($131,446) and related operating expenses ($32,554).

[4] One-time funding of $280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

[5] One-time funding of $100,000 from the general fund is added for a DOS based deposit system rewrite.

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

[7] Contingent funding of $500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of $500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, $500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

[8] Contingent funding of $1,561,604 is added from the general fund ($156,160) and federal funds ($1,405,444) and authorizes 6 FTE positions (2 FTE assistant attorneys general positions, 2 FTE investigators positions, 1 FTE administrative assistant position, and 1 FTE auditor position) for the creation of a Medicaid Fraud Control Unit. The creation of the unit is contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium.

- Adds a section exempting $100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds three sections relating to the contingent creation of a Medicaid Fraud Control Unit. The sections provide for the creation of Chapter 54-12.1 and appropriates $1,561,604 from the general fund ($156,160) and federal funds ($1,405,444), along with the authorization of 6 FTE positions, contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.
- Adds an emergency clause regarding the SAVIN program enhancements.

2017 CONFERENCE COMMITTEE

HB 1003

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/11/2017
Job 30062

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: See attachments A through D

Chairman Kempenich: Opened the conference committee on HB1003.

Senator Sorvaag: Explained the Senate changes made to the budget. See attachment A.

Representative Delmore: In section 14 you authorized the Attorney General to set a reasonable fee for the criminal history record checks. Those have increased. What are they now? What do you think those fees will be?

Lonnie Grobowski, Deputy Director of the ND Bureau of Criminal Investigation: The fee is $40; that would be $15 for the state fee, $10 for the FBI fee, and $15 for BCI processing.

Representative Delmore: Are we covering the cost of what it costs you to do it now?

Lonnie Grobowski: Yes, we are.

Representative Delmore: What would you say the reasonable increase would be?

Lonnie Grobowski: I'm not sure. It is set for the processing fee that we have and the federal fee is set by the FBI guidelines to us.

Chairman Kempenich: Was the background check going to be self-funding with special funds; no general funds?

Senator Sorvaag: That was the intent.

Representative Brandenburg: I see you added in six FTE's and $1.3 million of general and $310,000 other funds. Can you explain the general fund dollars and other funds and where they went?

Senator Sorvaag: Most of it is FTE's.

Chairman Kempenich: There will probably be some conversations on transferring funds.

Senator Sorvaag: We'd be open to that.

Chairman Kempenich: That would be a transfer between salary and operating?

Senator Sorvaag: The intent was to allow them a little more creativity.

Chairman Kempenich: There is a litigation fund grant. What is that?

Senator Sorvaag: It's the $1 million litigation fund for DAPL and then any other lawsuits against the state.

Chairman Kempenich: Is there $2.5 million for litigation?

Wayne Stenehjem, Attorney General, Office of the Attorney General: $1.5 million.

Senator Mathern: The attorney general's office is responsive to the system that's asking for that Medicaid fraud unit. That came from the Governor's office and DHS. It seemed like the place to put it. They weren't advocating for it.

Chairman Kempenich: What total costs are we looking at for Marsy's Law?

Senator Sorvaag: There's money going in all over.

Senator Mathern: One of the reasons for the amendment regarding the SAVIN system, is to make that system more available to address Marsy's Law. It was the Senate's position that if we upgraded the SAVIN system, that could save the counties a lot of money.

Representative Brandenburg: Explained attachment B.

Senator Mathern: Explained attachment C.

Chairman Kempenich: What does section 10 do?

Senator Sorvaag: The intent is that there is a share paid by the counties for use of this system.

Chairman Kempenich: Explained attachment D.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/13/2017
Recording Job# 30113

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachment A

Chairman Kempenich: Opened the conference committee on HB1003.

Senator Sorvaag: Explained the changes to the budget.

Chairman Kempenich: Explained amendment 17.0488.02009.

Senator Mathern: The bill as it went through the House and Senate left one feature off which is the way that it works better; to make this transition from the paper to the electronic form of this type of gaming.

Senator Mathern: Made a motion to move amendment 17.0488.02009.

Senator Sorvaag: Seconded the motion.

Senator Sorvaag: The way that it was explained to me was that there was a sentenced left out. It doesn't change the game, the intent, or how they plan to operate it.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent.

Motion carried.

Senator Sorvaag: Explained sections of the bill pertaining to Marsy's Law.

Senator Sorvaag: Explained sections 12 and 13 of the bill.

Representative Weisz: Explained what was done in the human service committee concerning sections 12 and 13 of the bill.

Senator Sorvaag: Was it ever brought up in your discussion that if they said they had to implement it a year from now, that we'd have to have a special session to address these issues? I'm just asking if there were discussions on that and the ramifications or what would come out of that?

Representative Weisz: General discussions that were not specific to that; and those conversations are ongoing. I don't think there's a concern there; understanding of the legislative session that that would require a special session. CMS isn't going to walk in and say we're pulling your Medicaid funding.

Senator Mathern: I think we're really close on this; I'm just wondering if we need to emphasize section 18. I think it respects the House's wish not to move right into this. Representative Weisz makes a good point about we really don't have a definite requirement at this point; but that's why section 18 is there. I think that's the compromise that's been reached.

Representative Weisz: I believe section 18 creates a problem. We've already put in place, so why would CMS give any extension or anything else because we said we're doing it. This says we've already got the plan; so there's nothing left to do. Why would they give us any waiver anymore?

Senator Sorvaag: Is there any desire on the House side to consider looking at some other language? I wish we could come up with some better language. I'd ask the House to look at the contingency language. I can't disagree that this language will trigger it.

Representative Kempenich: Discussed section 14 of the bill.

Representative Weisz: It seems like every bill in human services has a background check. It's obvious based, on the fiscal note that we get, it doesn't cover their fees. What would a reasonable fee be?

Wayne Stenehjem, Attorney General, Office of the Attorney General: The fee is $40.00.

Representative Delmore: The fees are deposited in the general fund; it isn't like a slush fund for the attorney general.

Chairman Kempenich: Is this how you approach this now?

Wayne Stenehjem: It varies.

Chairman Kempenich: You don't have a set dollar amount in code?

Wayne Stenehjem: No, not in code but in policy.

Representative Weisz: What's different in section 14 from current policy or practice?

Wayne Stenehjem: It says that all the new ones that you authorize this year; and most of those are the medical marijuana.

Representative Weisz: At a fee that you'll establish?

Wayne Stenehjem: Right.

Chairman Kempenich: Do you have to publish that in administrative rules?

Wayne Stenehjem: No.

Chairman Kempenich: We've had this conversation about absorbing fees with different areas of budgets.

Wayne Stenehjem: We're happy to do criminal background checks through anyone you authorize to get them. We just want to make sure that we the right process.

Senator Sorvaag: You should be able to establish a fee that reflects its actual cost.

Wayne Stenehjem: Submitted attachment A.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/17/2017
Recording Job# 30161

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: See attachments A through D

Chairman Kempenich: Opened the conference committee on HB1003.

Chairman Kempenich: Explained amendment 17.0488.02007. Attachment A.

Representative Weisz: Is there any precedent of a state filing a lien against federal property?

Chairman Kempenich: I can't think of any right off hand. The biggest issue has there been any instances of spending resources to protect federal lands.

Senator Mathern: We're a creature of the federal government. It's like a county putting a lien on state land or township putting a lien on county land. There's a hierarchy of how our different levels of government were created.

Chairman Kempenich: I've had that brought up also. The biggest problem is what we got ourselves into. This is all politics and had nothing to do with what was actuality of something. I think it's going to be very hard for any of this to happen.

Senator Sorvaag: Has the federal government said that they're not going to reimburse us? Is that why this is coming about or we just don't know?

Chairman Kempenich: So far, what we've heard out of Washington, Senator Hoeven had a statement that didn't get any traction. I doubt if any agency has any of these funds in their budget. I doubt if army corp has any money sitting there that's going to come forward.

Representative Delmore: I'm wondering why we would want to put this into state statute. It's permissive language for one and for two if the attorney general saw a way to get money back to the state, I can't imagine he wouldn't pursue that on his own.

Chairman Kempenich: It's not a suggestion here. One of the things that if the legislature showed a statewide support on it is what it would do. It's more of a discussion point.

Chairman Kempenich: Explained amendment 17.0488.02010. Attachment B.

Representative Delmore: I think we can have the discussion outside of statute. This isn't compelling the attorney general to do anything. I just don't know why we want to put into statute something that I think if they can get federal funds to pay for our expenses they aren't going to pursue that without us putting into statute specific ways we think they can go about it.

Chairman Kempenich: I think at the end of the day, there's going to be a lot of conversations and we're going to have to eat this. It was all politics and the current administration let it go through so their issue is done.

Representative Weisz: I don't disagree with Representative Delmore, but I do think it makes a difference with legislative intent, they owe us the money. The legislature is making it clear that we're encouraging the attorney general to take whatever action he thinks is within his abilities to do. I think it sends a message out there of what the legislature thinks about it. This says that the legislature stands fully behind the attorney general in whatever he may feel he can do and where this amendment goes is legal proceeding against the U. S. Department of Justice.

Representative Delmore: I don't have any problem with encouraging him to do this; but I don't know that we want to put that in statute. There could be other avenues that are better to persue.

Chairman Kempenich: The law is having a hard time catching and holding people that were in theory breaking the law. I think that's the problem with this whole thing. I don't think the law has much ability on these issues when they're political like this. The law is blind, that's why Justice has the blindfold on it and it weighs the facts. The problem is the facts get to be burdened by politics. I think it's going to be very tough.

Chairman Kempenich: Explained amendments 17.0488.02011 and 17.0488.02008. Attachments C and D.

Senator Mathern: I seem to recall that there was a resolution passed. I think there is some sort of communication going on to Congress. The National Guard acted at Dakota Access Pipeline at the direction of the governor. They're heavily federally funded. I think that's another thing that can be considered as the federal government taking part.

Chairman Kempenich: The guard was involved in it; but the problem was that there wasn't any federal agency that sanctioned what we did. The bigger problem is where you lay the blame at.

Senator Mathern: There was a company that laid a pipeline before there was a permit. I would think that the company has some responsibility also.

Chairman Kempenich: It would be that we encourage the attorney general to look at all possible avenues.

Chairman Kempenich: Discussed sections 12 and 13 of the bill.

Senator Sorvaag: I had asked if you would consider looking at the contingency line. Did you do that at all?

Representative Weisz: I've looked at that. I don't know how it's possible based on the other language where you're basically setting it up and putting in the FTE. I don't know how you can have contingent language, as far as CMS is concerned, would tend to negate that. The other issue, from a policy perspective, we really didn't spend any time on it because HB1226 directs them to come back with a report. I think we're in good shape until 2019 and I would prefer that this be removed.

Senator Mathern: I'm wondering if another idea, along with Senator Sorvaag's, instead of just section 18 we also look at section 13. I suppose in section 13 we could ratchet it back so it wouldn't have the activity in place so it doesn't trigger the CMS.

Representative Weisz: I think it gets back to the 13 pages of how it's going to be set up. I would argue that if we pass it, it's there even if you stripped money out or something else in section 13. You're still telling them that we already have it in place.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/18/2017
Recording Job# 30210

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes:

Chairman Kempenich: Opened the conference committee on HB1003.

Chairman Kempenich: Explained the changes.

Senator Sorvaag: You're talking three out of those six positions.

Chairman Kempenich: We would probably want to go one and one on that. Most of what fills up this bill is for Medicare fraud and we're not there on that.

Senator Sorvaag: The Senate at this point would be open to taking sections 12, 13 and 18 out of the bill. We want to have move discussions on the other parts of the bill.

Representative Weisz: I'm curious as to why that wasn't in the budget; the $850,000.00.

Wayne Stenehjem, Attorney General, Office of the Attorney General: The reason Marsy's Law wasn't in the budget because that bill had not passed at that time. This is a good way to assist the counties. This will allow us to alleviate a lot of the counties from having to hire additional help to do the notifications that they're required to do.

Chairman Kempenich: Went through the sections of the bill.

Representative Weisz: On the saving the $500,000.00 so that's enhancements to the program.

Chairman Kempenich continued with the different sections.

Chairman Kempenich: What was section 17 about?

Wayne Stenehjem: Last session we took over the higher ed lawyers in our office. NDSU had $400,000.00 contingent on litigation they were going through; $300,000.00 will go back to the general fund and this would allow us to keep $100,000.00 for potential and ongoing litigation.

Chairman Kempenich continued with the different sections.

Senator Sorvaag: We're comfortable with the language.

Chairman Kempenich: We brought fees up with the DOT; we're subsidizing the actual cost and we'd like to see the actual cost realized.

Representative Delmore: If it gets to an unreasonable fee, we'll be the first to hear about it.

Chairman Kempenich continued with his explanation.

Senator Sorvaag: We have the two software updates also. We would like the $100,000.00 and the $280,000.00 to stay on the table at this time.

Chairman Kempenich: Is the $280,000.00 for legislation that's been passed?

Kathy Roll, Financial Administrator, Office of the Attorney General: The $280,000.00 is for a rewrite of the uniform crime reporting system. That system provides information to local law enforcement as well as state local law enforcement. The system is going to be losing its support; so that system won't be as it's working right now.

Chairman Kempenich: That's the same with the $100,000.00?

Kathy Roll: The department system is a DOS based system. We are writing up deposits that Windows 10 and it doesn't work with Windows 10.

Senator Sorvaag: The two software parts are all general fund dollars and we would like to keep those on the table.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/19/2017
Recording Job# 30231

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachments A and B

Chairman Kempenich: Opened the conference committee on HB1003.

Chairman Kempenich: Explained attachments A and B.

Representative Delmore: Section 7 provides what he needs to do to get the cost for the pipeline project if someone offers it. May he take money from a private entity or does this have to be money from the feds?

Chairman Kempenich: The intent is to look at all avenues. It's involving the protest related activities.

Chairman Kempenich continued with his explanation.

Representative Delmore: There are other state agencies that have that line authority. Correct?

Chairman Kempenich: That's why when I read it I knew that there were going to be some agencies that would have a little heartburn on it. With sun setting it I don't have an issue.

Chairman Kempenich continued with his explanation.

Senator Sorvaag: It covers everything we've talked about except for section 4.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/20/2017
Recording Job# 30258

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes: Attachment A

Chairman Kempenich: Opened the conference committee on HB1003.

Chairman Kempenich: Went through the changes to the budget. See attachment A.

Representative Weisz: Made a motion to remove the line item authorization in section 4.

Senator Sorvaag: Seconded the motion.

Voice Vote made:

Motion Carried.

Chairman Kempenich continued with his explanation of the changes.

Karlene Fine, Executive Director, ND Industrial Commission: The way we handle our litigation account is that when there are costs incurred coming from this fund, the attorney general provides the bills to us and we pay those bills. We don't believe it needs to go through a grant process. We need to have legislative intent in here that the legislature has authorized that these funds can be used for the litigation involving the DAPL. We need to have those costs for the current biennium 2015-2017; as well as 2017-2019.

Chairman Kempenich: If we take the grant out of there would that solve the problem?

Karlene Fine: Yes. If you could also put an emergency clause on there.

Chairman Kempenich: That was last session that it was put in wasn't it?

Wayne Stenehjem, Attorney General, Office of the Attorney General: This will be for this litigation plus the other ongoing litigation that the industrial commission is involved in.

Chris Cronquist: Would the attorney general need any additional special funds authority? So the costs are actually costs from within.

Wayne Stenehjem: Right.

Chairman Kempenich continued with his explanation.

Chairman Kempenich: Was that for that UCCR?

Kathy Roll, Financial Administrator, Office of the Attorney General: Because of the tight budget, the office wanted to receive monies and not have to go to the emergency commission for them. The $250,000.00 was agreed on and that happened in the House.

Chairman Kempenich continued with his explanation.

Chairman Kempenich: Does that pretty much take care of that $1.2 million? Did this come out of the impact money for law enforcement?

Kathy Roll: This section deals with the human trafficking grant that were awarded to our office for this biennium; we're going to need to have some carry over authority because we don't believe we'll have everything reimbursed by the end of the biennium.

Chairman Kempenich: Did this come out of the SIIF money?

Kathy Roll: It was general fund money.

Chairman Kempenich continued with his explanation.

Wayne Stenehjem: The $1.2 million is left over from the oil impact grant; $500,000.00 was what was appropriated for the SAVIN. The other $700,000.00 was appropriated in SB2203; that goes for the human trafficking program.

Chairman Kempenich: Closed the conference committee.

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee – Government Operations Division
Medora Room, State Capitol

HB1003
4/24/2017
Recording Job# 30279

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general.

Minutes:

Chairman Kempenich: Opened the conference committee on HB1003.

Chairman Kempenich: Have you come up with anything for the contingency language?

Wayne Stenehjem, Attorney General, Office of the Attorney General: We're looking at addressing the contingency perhaps in another budget.

Senator Sorvaag: Made a motion that the Senate recede from the Senate amendments and amend with 17.0488.02013.

Representative Delmore: Seconded the motion.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent.

Motion Carried.

Chairman Kempenich: Closed the conference committee.

17.0488.02009
Title.

Prepared by the Legislative Council staff for
Senator Nelson
April 11, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; and 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"

Page 3, after line 12, insert:

"**SECTION 8.** 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."

Renumber accordingly

17.0488.02013
Title.04000
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Kempenich
April 25, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

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

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

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

Page 1, replace lines 12 and 13 with:

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

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

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

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

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

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

Page 2, after line 24, insert:

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

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

Page 2, after line 31, insert:

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

of the Constitution of North Dakota, for the period beginning with the effective date of this Act, and ending June 30, 2019.

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

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

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

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

1. The governing body of a county ~~may~~shall, by resolution, authorize the district judges serving that county to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of a criminal offense or of violating a municipal ordinance for which the maximum penalty that may be imposed by law for the offense or violation includes imprisonment.

2. The governing body of a city ~~may~~shall, by ordinance, authorize a municipal judge to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of violating a municipal ordinance for which the maximum penalty that may be imposed under the ordinance for the violation includes imprisonment.

3. The governing body of the county or city ~~may~~shall determine the amount of the fee to be assessed in all cases or it may authorize the district or municipal judge to determine the amount of the fee to be assessed in each case. The fee assessed under this section is in addition to any fine, penalty, costs, or administrative fee prescribed by law. The district or municipal judge ~~may~~shall assess the fee when sentence is imposed or

when sentence is suspended or imposition of sentence is deferred, unless the defendant is indigent and unable to pay the fee. All fees paid to a district or municipal court under this section must be deposited monthly in the county or city treasury for allocation by the governing body of the county or city to one or more of the following programs as determined by the governing body or by agreement of the attorney general, the North Dakota league of cities, and the North Dakota association of counties:

a. A private, nonprofit domestic violence or sexual assault program.

b. A victim and witness advocacy program of which the primary function is to provide direct services to victims of and witnesses to crime.

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

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

Electronic pull tab device requirements

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

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

Page 3, after line 9, insert:

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

Page 3, after line 12, insert:

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$40,503,865	$40,267,284	$911,759	$41,179,043	$41,244,766	($65,723)
Operating expenses	24,672,585	16,145,004	212,277	16,357,281	16,557,558	(200,277)
Capital assets	2,339,187	2,742,372		2,742,372	2,742,372	
Grants	1,762,659	2,440,000		2,440,000	2,440,000	
Litigation fees	50,000	150,000		150,000	150,000	
Intellectual property attorney	418,323	427,131	(207)	426,924	426,924	
Abortion litigation fees	400,000					
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797	5,336,797	
Arrest and return of fugitives	10,000	10,000		10,000	10,000	
Gaming commission	7,490	7,490		7,490	7,490	
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645	3,386,645	
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608	2,901,608	
Additional income appropriation		250,000		250,000	250,000	
SAVIN cost share program			315,000	315,000	315,000	
Contingent funding for the SAVIN program			500,000	500,000	500,000	
Contingent Medicaid Fraud Control Unit					1,561,604	(1,561,604)
Total all funds	$83,714,313	$74,730,548	$1,932,612	$76,663,160	$78,490,764	($1,827,604)
Less estimated income	35,247,452	30,730,548	1,261,772	31,992,320	32,946,764	(954,444)
General fund	$48,466,861	$44,000,000	$670,840	$44,670,840	$45,544,000	($873,160)
FTE	250.00	231.00	6.00	237.00	243.00	(6.00)

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

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

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

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month, the same as the Senate version.

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

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

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

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

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

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

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

This amendment also:

- Adds a section authorizing the Attorney General to submit litigation-related expenses to the Industrial Commission to be paid from litigation funding available to the Industrial Commission for expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline project and requires the Attorney General to report to the Budget Section quarterly regarding expenditures submitted to be paid from the Industrial Commission's litigation fund. The Senate version included a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section of legislative intent that the Attorney General pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result of the protests and related activities associated with the Dakota Access Pipeline project. Neither the House nor the Senate version included this section.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from a Department of Trust Lands grant for the 2015-17 biennium, if the move does not occur, the same as the Senate version.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost-sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state, the same as the Senate version.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory, the same as the Senate version.
- Adds a section creating a new section to Chapter 53-06.1 relating to electronic pull tab device requirements. The section requires an electronic pull tab device to display an electronic pull tab and it may not directly dispense coins, cash, tokens, or anything of value. Neither the House nor the Senate version included this section.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium, the same as the Senate version.
- Amends Section 6 of the House version to provide an exemption for funding appropriated for human trafficking grants provided for the 2015-17 biennium. The Senate version did not include this change.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General for the 2015-17 biennium for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line, the same as the Senate version.
- The Conference Committee did not include 3 sections added by the Senate relating to the contingent creation of a Medicaid Fraud Control Unit.
- Adds an emergency clause for Section 5 and the SAVIN program enhancements. The Senate version provided an emergency clause related to the SAVIN program enhancements only.

Date: 4/13/2017
Roll Call Vote #: 1

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB1003 as (re) engrossed

House Appropriations – Government Operations Division Committee

Action Taken

- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**
- ☒ adopt amendment
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Mathern Seconded by: Senator Sorvaag

Representatives	4/11	4/13		Yes	No		Senators	4/11	4/13		Yes	No
Chairman Kempenich	X	X		X			Senator Sorvaag	X	X		X	
Representative Brandenburg	X						Senator Kilzer	X	X		X	
Representative Delmore	X	X		X			Senator Mathern	X				
Representative Weisz		X		X			Senator Hogue		X		X	
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 17.0488.02009 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment
Motion Carried

Date:
Roll Call Vote #:

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB1003 as (re) engrossed

House Appropriations – Government Operations Division Committee

Action Taken

☐ **HOUSE accede to Senate Amendments**
☐ **HOUSE accede to Senate Amendments and further amend**
☐ **SENATE recede from Senate amendments**
☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	4/11	4/13	4/17	Yes	No	Senators	4/11	4/13	4/17	Yes	No
Chairman Kempenich	X	X	X			Senator Sorvaag	X	X	X		
Representative Brandenburg	X					Senator Kilzer	X	X	X		
Representative Delmore	X	X	X			Senator Mathern	X		X		
Representative Weisz		X	X			Senator Hogue		X			
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4/20/2017
Roll Call Vote #: 1

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB1003 as (re) engrossed

House Appropriations – Government Operations Division Committee

Action Taken

- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**
- ☒ adopt amendment
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Weisz Seconded by: Senator Sorvaag

Representatives	4/18	4/19	4/20	Yes	No	Senators	4/18	4/19	4/20	Yes	No
Chairman Kempenich	X	X	X			Senator Sorvaag	X	X	X		
Representative Brandenburg						Senator Kilzer	X	X	X		
Representative Delmore	X	X	X			Senator Mathern	X	X	X		
Representative Weisz	X	X	X			Senator Hogue					
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment
To remove the line item authorization in section 4.

Date: 4/24/2017
Roll Call Vote #: 1

2017 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB1003 as (re) engrossed

House Appropriations – Government Operations Division Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Sorvaag Seconded by: Representative Delmore

Representatives	4/24			Yes	No	Senators	4/24			Yes	No
Chairman Kempenich	X			X		Senator Sorvaag	X			X	
Representative Brandenburg						Senator Kilzer	X			X	
Representative Delmore	X			X		Senator Mathern	X			X	
Representative Weisz	X			X		Senator Hogue					
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Kempenich Senate Carrier Senator Sorvaag

LC Number 17.0488.02013 . _____ of amendment

LC Number _____ . 04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment
Motion Carried

Insert LC: 17.0488.02013
House Carrier: Kempenich
Senate Carrier: Sorvaag

REPORT OF CONFERENCE COMMITTEE

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

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

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

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

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

Page 1, replace lines 12 and 13 with:

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

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

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

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

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

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

Page 2, after line 24, insert:

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

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

Page 2, after line 31, insert:

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

SECTION 9. STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS - COST-SHARING PROGRAM -

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

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

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

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

1. The governing body of a county ~~may~~shall, by resolution, authorize the district judges serving that county to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of a criminal offense or of violating a municipal ordinance for which the maximum penalty that may be imposed by law for the offense or violation includes imprisonment.

2. The governing body of a city ~~may~~shall, by ordinance, authorize a municipal judge to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of violating a municipal ordinance for which the maximum penalty that may be imposed under the ordinance for the violation includes imprisonment.

3. The governing body of the county or city ~~may~~shall determine the amount of the fee to be assessed in all cases or it may authorize the district or municipal judge to determine the amount of the fee to be assessed in each case. The fee assessed under this section is in addition to any fine, penalty, costs, or administrative fee prescribed by law. The district or municipal judge ~~may~~shall assess the fee when sentence is imposed or when sentence is suspended or imposition of sentence is deferred, unless the defendant is indigent and unable to pay the fee. All fees paid to a district or municipal court under this section must be deposited monthly in the county or city treasury for allocation by the governing body of the county or city to one or more of the following programs as determined by the governing body or by agreement of the attorney general, the North Dakota league of cities, and the North Dakota association of counties:

   a. A private, nonprofit domestic violence or sexual assault program.

b. A victim and witness advocacy program of which the primary function is to provide direct services to victims of and witnesses to crime.

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

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

Electronic pull tab device requirements

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

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

Page 3, after line 9, insert:

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

Page 3, after line 12, insert:

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$40,503,865	$40,267,284	$911,759	$41,179,043	$41,244,766	($65,723)
Operating expenses	24,672,585	16,145,004	212,277	16,357,281	16,557,558	(200,277)
Capital assets	2,339,187	2,742,372		2,742,372	2,742,372	
Grants	1,762,659	2,440,000		2,440,000	2,440,000	
Litigation fees	50,000	150,000		150,000	150,000	
Intellectual property attorney	418,323	427,131	(207)	426,924	426,924	
Abortion litigation fees	400,000					

Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797	5,336,797	
Arrest and return of fugitives	10,000	10,000		10,000	10,000	
Gaming commission	7,490	7,490		7,490	7,490	
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645	3,386,645	
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608	2,901,608	
Additional income appropriation		250,000		250,000	250,000	
SAVIN cost share program			315,000	315,000	315,000	
Contingent funding for the SAVIN program			500,000	500,000	500,000	
Contingent Medicaid Fraud Control Unit					1,561,604	(1,561,604)
Total all funds	$83,714,313	$74,730,548	$1,932,612	$76,663,160	$78,490,764	($1,827,604)
Less estimated income	35,247,452	30,730,548	1,261,772	31,992,320	32,946,764	(954,444)
General fund	$48,466,861	$44,000,000	$670,840	$44,670,840	$45,544,000	($873,160)
FTE	250.00	231.00	6.00	237.00	243.00	(6.00)

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

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

	Adds One-Time Funding for the SAVIN Cost-Share Program[7]	Adds Contingent Funding for the SAVIN Cost-Share Program[8]	Total Conference Committee Changes
Salaries and wages			$911,759
Operating expenses			212,277
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			
Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			

Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program	315,000		315,000
Contingent funding for the SAVIN program		500,000	500,000
Contingent Medicaid Fraud Control Unit			
Total all funds	$315,000	$500,000	$1,932,612
Less estimated income	315,000	500,000	1,261,772
General fund	$0	$0	$670,840
FTE	0.00	0.00	6.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month, the same as the Senate version.

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

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

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

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

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

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

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

This amendment also:

- Adds a section authorizing the Attorney General to submit litigation-related expenses to the Industrial Commission to be paid from litigation funding available to the Industrial Commission for expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline project and requires the Attorney General to report to the Budget Section quarterly regarding expenditures submitted to be paid from the Industrial Commission's litigation fund. The Senate version included a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section of legislative intent that the Attorney General pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result of the protests and related activities associated with the Dakota Access Pipeline project. Neither the House nor the Senate version included this section.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from a Department of Trust Lands grant for the 2015-17 biennium, if the move does not occur, the same as the Senate version.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost-sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state, the same as the Senate version.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory, the same as the Senate version.
- Adds a section creating a new section to Chapter 53-06.1 relating to electronic pull tab device requirements. The section requires an electronic pull tab device to display an electronic pull tab and it may not directly dispense coins, cash, tokens, or anything of value. Neither the House nor the Senate version included this section.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium, the same as the Senate version.
- Amends Section 6 of the House version to provide an exemption for funding appropriated for human trafficking grants provided for the 2015-17 biennium. The Senate version did not include this change.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General for the 2015-17 biennium for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line, the same as the Senate version.
- The Conference Committee did not include 3 sections added by the Senate relating to the contingent creation of a Medicaid Fraud Control Unit.
- Adds an emergency clause for Section 5 and the SAVIN program enhancements. The Senate version provided an emergency clause related to the SAVIN program enhancements only.

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

2017 TESTIMONY

HB 1003

Department 125 - Attorney General
House Bill Nos. 1003 and 1063

Executive Budget Comparison to Prior Biennium Appropriations

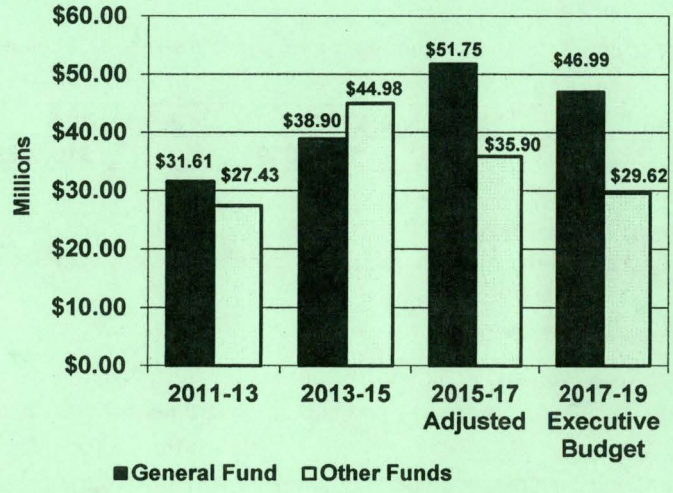
	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	234.00	$46,993,970	$29,617,737	$76,611,707
2015-17 Adjusted Legislative Appropriations[1]	250.00	51,749,685	35,900,785	87,650,470
Increase (Decrease)	(16.00)	($4,755,715)	($6,283,048)	($11,038,763)

[1]The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

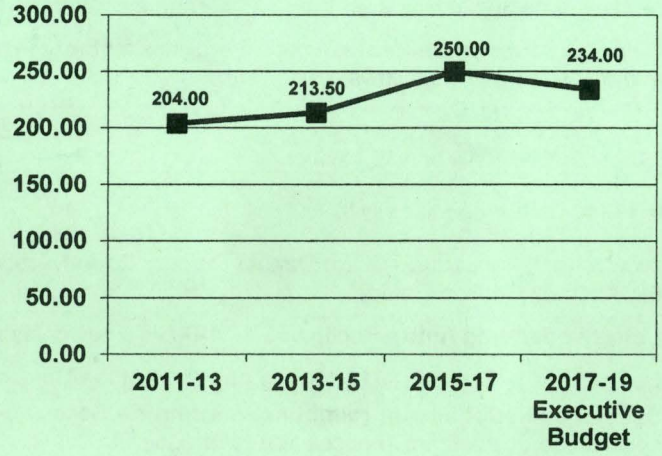
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Executive Budget	$46,993,970	$0	$46,993,970
2015-17 Adjusted Legislative Appropriations	48,466,861	3,282,824	51,749,685
Increase (Decrease)	($1,472,891)	($3,282,824)	($4,755,715)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	$46,993,970	$29,617,737	$76,611,707
2017-19 Base Level	48,466,861	35,247,452	83,714,313
Increase (Decrease)	($1,472,891)	($5,629,715)	($7,102,606)

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which $198,047 is for salary increases and $695,462 is for health insurance increases	$818,534	$74,975	$893,509
2. Removes 16 FTE positions	($952,505)	($60,722)	($1,013,227)
3. Changes funding source for 2 FTE positions to federal funds	($262,767)	$262,767	$0
4. Removes funding for the 24/7 sobriety program (The Attorney General has a continuing appropriation from the revenues used to fund the 24/7 sobriety program)	$0	($6,375,572)	($6,375,572)
5. Adjusts funding for operating expenses	$201,141	($1,219,094)	($1,017,953)
6. Reduces funding for criminal justice information sharing to provide total funding of $3,391,562	($188,741)	($291,482)	($480,223)

7. Reduces funding for law enforcement	($219,348)	$0	($219,348)
8. Increases federal funds spending authority	$0	$228,897	$228,897
9. Adds funding for information technology disaster recovery system	$46,703	$0	$46,703
10. Removes funding for abortion litigation fees of $400,000 ($100,000 transferred to operating expenses and $100,000 transferred to litigation fees)	($200,000)	$0	($200,000)
11. Increases funding for Indian gaming audit expenses	$0	$37,500	$37,500
12. Adds funding for equipment	($194,388)	$606,882	$412,494
13. Increases funding for the State Crime Laboratory building bond payments	$529	$0	$529

Other Sections in Bill

Tobacco settlement trust fund - Section 3 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.

Exemption - Strategic investment and improvements fund - Section 4 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017-19 biennium.

Continuing appropriations - Section 5 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.

Salary of Attorney General - Section 6 provides for the statutory changes to increase the Attorney General's salary by 1 percent in the second year as follows:

	Current Level	July 1, 2017	July 1, 2018
Attorney General's annual salary	$157,009	$157,009	$158,579

Continuing Appropriations

Assets forfeiture fund - North Dakota Century Code Section 54-12-14 - To pay costs related to law enforcement activities of the Attorney General's office.

Lottery operating fund - Section 53-12.1-09 - To pay costs of operating the lottery.

Refund fund - Section 54-12-18 - To pay costs of the Consumer Protection and Antitrust Division and the Gaming Division.

Special operations team reimbursement fund - Section 54-12-23 - To reimburse city and county governments that provide special operations team services to rural areas.

24/7 sobriety program fund - Section 54-12-29 - To pay costs of administering and operating the 24/7 sobriety program.

Multijurisdictional drug task force fund - Section 54-12-26 - To provide support for the narcotics enforcement efforts of the state.

Significant Audit Findings

The operational audit for the Attorney General's office conducted by the State Auditor's office during the 2015-16 interim identified no significant audit findings.

Major Related Legislation

Senate Bill No. 2054 - Creates a new section to Chapter 54-12 which authorizes law enforcement officers employed in the state licensed under Chapter 12-63 to waive resident tuition and fees on any institution of higher education under the control of the State Board of Higher Education for up to 5 years if the law enforcement officer meets specific requirements. The section directs the Attorney General to adopt rules necessary to implement the new section.

Attorney General - Budget No. 125
House Bill Nos. 1003 and 1063
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313
2017-19 Ongoing Funding Changes				
Base payroll changes		($522,049)	$1,106,134	$584,085
Salary increase		181,429	16,618	198,047
Health insurance increase		637,105	58,357	695,462
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)
Changes funding source for 2 FTE positions		(262,767)	262,767	0
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)
Reduces funding for law enforcement		(219,348)		(219,348)
Increases federal funds spending authority			228,897	228,897
Adds funding for IT disaster recovery system		46,703		46,703
Removes funding for abortion litigation fees		(400,000)		(400,000)
Increases funding for litigation fees		100,000		100,000
Increases funding for Indian gaming audit expenses			37,500	37,500
Adds funding for equipment		(194,388)	606,882	412,494
Increases funding for the State Crime Lab bond payments		529		529
Total ongoing funding changes	(16.00)	($1,472,891)	($5,629,715)	($7,102,606)
One-time funding items				
No one-time funding				0
Total one-time funding changes	0.00	$0	$0	$0
Total Changes to Base Level Funding	(16.00)	($1,472,891)	($5,629,715)	($7,102,606)
2017-19 Total Funding	234.00	$46,993,970	$29,617,737	$76,611,707

Other Sections in Attorney General - Budget No. 125

	Executive Budget Recommendation
Tobacco settlement trust fund	Section 3 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.
Exemption - Strategic investment and improvements fund	Section 4 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.
Continuing appropriations	Section 5 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.
Salary of Attorney General	Section 6 provides for the statutory changes to increase the Attorney General's salary by 1 percent in the second year.

Department 125 - Attorney General

Reductions to 2015-17 Biennium General Fund Appropriations
(As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	$51,701,902	$3,674,968	$55,376,870
General fund reductions	(3,235,041)	(392,144)	(3,627,185)
Adjusted 2015-17 appropriations	$48,466,861	$3,282,824	$51,749,685
Executive Budget changes	(1,472,891)	(3,282,824)	(4,755,715)
2017-19 Executive Budget	$46,993,970	$0	$46,993,970

Summary of August 2016 General Fund Budget Reductions

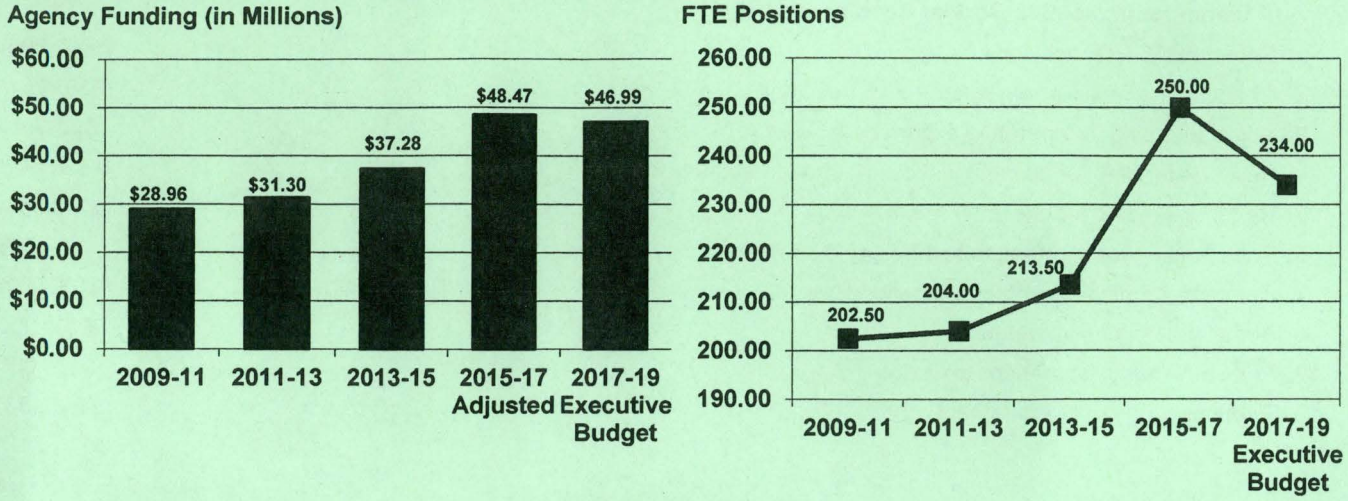
	Ongoing	One-Time	Total
Reduced funding for salaries and wages	($1,465,975)	$0	($1,465,975)
Reduced funding for operating expenses	(1,318,734)	0	(1,318,734)
Reduced funding for criminal justice information sharing	0	($292,144)	(292,144)
Reduced funding for law enforcement	(431,661)	0	(431,661)
Reduced funding for intellectual property attorney	(18,671)	0	(18,671)
Reduced funding for contracted higher education legal services	0	(100,000)	(100,000)
Total reductions	($3,235,041)	($392,144)	($3,627,185)
Percentage reduction to ongoing and one-time general fund appropriations	6.26%	10.67%	6.55%

2017-19 Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	$818,534	$0	$818,534
Reduces funding for salaries and wages	(522,049)	0	(522,049)
Removes 16 FTE positions	(2,418,480)	1,465,975	(952,505)
Changes funding source for 2 FTE positions	(262,767)	0	(262,767)
Adjusts funding for operating expenses	(1,117,593)	1,318,734	201,141
Reduces funding for criminal justice information sharing	(188,741)	0	(188,741)
Reduces funding for law enforcement	(651,009)	431,661	(219,348)
Adds funding for information technology disaster recovery system	46,703	0	46,703
Removes funding for abortion litigation fees	(400,000)	0	(400,000)
Adds funding for litigation fees	100,000	0	100,000
Adds funding for operating expenses	100,000	0	100,000
Reduces funding for equipment	(194,388)	0	(194,388)
Increases funding for the State Crime Laboratory building bond payments	529	0	529
Reduces funding for the intellectual property attorney	(18,671)	18,671	0
Total	($4,707,932)	$3,235,041	($1,472,891)

Department 125 - Attorney General

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing general fund appropriations	$28,960,432	$31,229,845	$37,275,528	$48,466,861	$46,993,970
Increase (decrease) from previous biennium	N/A	$2,269,413	$6,045,683	$11,191,333	($1,472,891)
Percentage increase (decrease) from previous biennium	N/A	7.8%	19.4%	30.0%	(3.0%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	7.8%	28.7%	67.4%	62.3%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

1. Added funding for position reclassifications and salary equity adjustments for identification technicians — $190,501

2013-15 Biennium

1. Added funding for salary equity increases for forensic scientists — $171,000
2. Changed funding source from federal fiscal stimulus funds to general funds for 7 FTE positions — $1,037,590
3. Added funding for 1 synthetic drugs forensic scientist FTE position — $146,039
4. Added funding for potential litigation fees relating to abortion-related legislation approved by the Legislative Assembly — $400,000
5. Added funding for operating expenses for the 24/7 sobriety program, criminal history record checks for concealed weapons licenses, fingerprint record checks for appraisal management companies and employees, and fingerprint record checks for insurance producers — $121,390

2015-17 Biennium (Original Amounts)

1. Added law enforcement-related funding for 8 criminal investigator FTE positions, 3 intelligence analyst FTE positions, 2 assistant Attorney General FTE positions, 1 administrative FTE position, 1 grants administrator FTE position, 1 forensic scientist FTE position, and 0.5 attorney FTE position — $3,724,698
2. Added 2 criminal history identification technician FTE positions — $310,536
3. Added 1 gaming auditor FTE position — $82,907
4. Added funding for transfer of the criminal justice information sharing system, including 3 FTE positions transferred and 1 new business analyst FTE position and related operating expenses — $3,270,219

5. Restored 1 programmer analyst FTE position identified as one-time funding for the 2013-15 biennium	$142,278
6. Added funding and 9 FTE positions for providing legal services to the North Dakota University System	$3,079,724

2017-19 Biennium (Executive Budget Recommendation)

1. Removes 16 FTE positions	($952,505)
2. Changes the funding source for 2 FTE positions	($262,767)
3. Adjusts funding for operating expenses	$201,141
4. Reduces funding for criminal justice information sharing	($188,741)
5. Reduces funding for law enforcement	($219,348)
6. Adds funding for information technology disaster recovery system	$46,703
7. Removes funding for abortion litigation fees	($400,000)
8. Adds funding for litigation fees	$100,000
9. Adds funding for operating expenses	$100,000
10. Reduces funding for equipment	($194,388)

January 10, 2017 HB1003 / HB1063 Attachment A

2017 - 2019 BUDGET

Office of Attorney General
State of North Dakota

Wayne Stenehjem
Attorney General

For the Government Operations Section of the House Appropriations Committee

TABLE OF CONTENTS

2017 Engrossed House Bill Nos. 1003/1063 1

Summary of Office of Attorney General Major Accomplishments 2

- Statewide Law Enforcement Intelligence Center (SLIC) 2
- Crime Lab Activities 3
- Consolidated DNA Index System (CODIS) 3
- Consumer Protection and Antitrust (CPAT) Division Fiscal Year 2016 Update 3
- 24/7 Sobriety Program 4
- Concealed Weapon Licenses 4
- Criminal History Record Information Requests 4
- Sex Offender and Offenders Against Children Registry 5
- Legal Services 5
- Tobacco Diligent Enforcement Arbitration 6
- Charitable Gaming 6
- Lottery Transfers 7

Current and Future Critical Issues 7

- Fentanyl, Heroin, and Other Illicit Drugs 7
- Criminal Investigator Work Demands 7
- Implementation of Medical Marijuana 9
- Marsy's Law Implementation 9
- Criminal Investigators Salary Issues 10
- Intelligence Analysts – North Dakota State and Local Intelligence Center and Western North Dakota 11
- Information Technology Division Infrastructure and Program Needs 11
- Loss of Federal Funding 12

Office of Attorney General Budget Issues and Requests 12

- Office/State Impacts Due to 10% General Fund Reduction 12
- Additional Reductions Recommended by Governor Dalrymple 13
- General Fund Allotments During the 2015-17 Biennium 14
- 2017-19 Biennium OAG Optional Adjustments Requested 15

Proposed Changes to 2017 House Bill No. 1003 19

2017 Legislation Having a Fiscal Impact on the Office of Attorney General 20

Criminal Investigative Cases 22

Pre-Oil Boom, Oil Boom and Post-Oil Boom Arrests 23

DUI Offense Convictions 24

State and Federal Criminal History Records Check 25

Concealed Weapons Licensed Issued 26

Crime Lab DNA Caseload 27

Crime Lab All Arrestees Samples 28

Top 25 Narcotics Consumed in North Dakota For the Period from January through December 2015 From Crime Laboratory Cases 29

Top 25 Narcotics Consumed in North Dakota For the Period from January through December 2016 From Crime Laboratory Cases 30

AG Office Organizational Chart 31

2017 ENGROSSED HOUSE BILL NOS. 1003/1063

Office of Attorney General

The Office of Attorney General (OAG) represents and defends the interests of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the North Dakota Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and advisor to state government providing legal representation to all facets of state government, including the Governor, all departments of state government, local government and all state agencies, boards, and commissions.

The Attorney General has primary authority to act on behalf of the state of North Dakota in other areas, including criminal investigations; full arrest and law enforcement authority; sex offender risk assessment and registration; evidence examination and testimony; consumer protection and antitrust; administration, regulation, and enforcement of charitable gaming and lottery activity; and fire inspections, investigations, and mitigation of hazardous materials incidents. Attorney General staff members provided a significant amount of training to North Dakota citizens and others, including law enforcement and the fire services.

The office consists of 13 divisions:

- Administration
- Bureau of Criminal Investigation (BCI)
- Civil Litigation and Natural Resources & Indian Affairs
- Consumer Protection and Antitrust (CPAT)
- Criminal and Regulatory
- Criminal Justice Information Sharing (CJIS) and Information Technology (IT)
- Crime Laboratory (Crime Lab)
- Criminal and Regulatory
- Finance and Administration
- Fire Marshal
- Gaming
- Lottery
- State and Local Government

SUMMARY OF OFFICE OF ATTORNEY GENERAL MAJOR ACCOMPLISHMENTS

Statewide Law Enforcement Intelligence Center (SLIC)

The State and Local Intelligence Center (SLIC) works with law enforcement agencies to provide the tools necessary to identify possible threats while managing resources. SLIC provides the state with support that leads to identifying, investigating, and prosecuting criminal activities, including drug suppliers from out-of-state sources and homeland security threats. Many crimes typically involve conspiracies, several layers of networks, and individuals who utilize the same routes and modes of transportation. The SLIC facilitates information sharing between task forces, analysts across the nation, the northern border International Border Enforcement Teams (IBET), and many local, state, and federal agencies. It is a multi-agency team consisting of the BCI, Border Patrol, Homeland Security Investigation (HSI), North Dakota Highway Patrol, North Dakota Army National Guard, and the Division of Emergency Management.

Some statistics regarding the SLIC include:

- Requests for information completed in 2015: 4,403
- Requests for information completed 2016: 3,557, and SLIC has been heavily involved in the ongoing Dakota Access Pipeline (DAPL) activities. The NDSLIC has sent 143 Daily Intelligence Updates, gave 53 morning update briefs, created 40 DAPL related "Hot sheets" (law enforcement priority intelligence or investigative lead communications), entered 22 related tips and leads, and has reviewed an estimated 500+ hours of law enforcement protest video footage in fiscal year 2016.

Over the last year, the ND SLIC has received numerous requests for case support, for serious felony level cases such as:

- Homicides,
- Human trafficking,
- Drug trafficking,
- Child sex exploitation, and
- Complex conspiracy activities

Local law enforcement agencies have increasingly requested sophisticated case support such as:

- Geospatial information systems mapping,
- Financial investigations,
- Facial recognition,
- Social media monitoring, and
- Monitoring internet websites (Backpage.com) to identify witnesses to crimes unknown to law enforcement.

Another duty of the watch center is to deescalate investigations for member agencies, increasing the workload of the intelligence analysts.

Crime Lab Activities

The Drug Chemistry Unit of the Lab continues to maintain a turn-around time of less than 30 days on casework samples. The Lab's Toxicology Section continues to maintain a turn-around time of less than 30 days on casework samples. The Lab processed a total of 7,471 offender samples in 2015 and 2016. There are approximately 33,625 offender samples in North Dakota's DNA database. For the last five years the number of North Dakota offender samples has averaged 4,104 per year. The FBI's DNA database the Crime Lab uses contains over 12 million offender samples.

The current turnaround times for select types of evidence are as follows:

- About 30 days for fingerprint cases.
- Less than 21 days for arson cases.
- Less than 30 days for firearms cases.
- Approximately 180 days for DNA cases.

Consolidated DNA Index System (CODIS)

Since the Legislature passed legislation requiring felony and then all offenders to submit DNA samples, which are submitted to CODIS, the Crime Lab has added 33,625 offender DNA samples. The nationwide CODIS database has more than 12 million samples. When criminal evidence is submitted and DNA samples are submitted, these samples are compared to the DNA samples in CODIS. When the evidence samples match the CODIS sample then individuals can be connected to more than 1 crime. Since the CODIS inception, North Dakota has had 576 hits or matches.

Consumer Protection and Antitrust (CPAT) Division Fiscal Year 2016 Update

CPAT opened 1,527 consumer complaints and investigations and closed 1,500 files. The division recovered or collected $485,266 in consumer restitution. CPAT collected $3,427,920 in attorney's fees, investigation costs, and civil penalties relating to

litigation completed. The division took legal action against 163 companies or individuals.

24/7 Sobriety Program

The 24-7 sobriety program is designed to remove intoxicated drivers from the road, improve their ability to succeed in their treatment choices, and provide a safer driving environment for the traveling public. Offenders participate in twice-per-day breath tests or electronic alcohol monitoring, seven days per week, for as long as the court order mandates. Participants are also required to pay a fee for the monitoring, which in turn is used to pay for breath alcohol devices, electronic monitoring devices, and other program costs.

Here is some 24/7 Sobriety program information:

- Total participants since the inception of the program in 1-01-2008 (includes pilot counties): 16,271
- Total participants that graduated from the program: 10,445
- Total participants that failed the program requirements: 2,960
- Total participants that have reoffended (temporary status, have not failed or graduated): 728
- Participants currently active on the program: 2,138
- Total breath tests administered since the inception of program: 1,049,982
- Pass rate of breath tests taken: 95.40% (1,001,734)

The program has been supported by law enforcement, the courts, and the participants, and it is proving to be a very successful alternative to detention.

Concealed Weapon Licenses

As of December 31, 2016, 48,490 individuals held North Dakota concealed weapon licenses compared to a total of 15,579 active licenses at the end of 2011. In March 1, 2004, only 6,421 licenses were held. Of the total active concealed weapon licenses, about 24,000 are slated to be renewed in the 2017-19 biennium.

Criminal History Record Information Requests

BCI processed 52,043 criminal history record information requests in 2016, a 22% increase over the requests in 2014. Of those, 29,101 were requests for data from the state database and 22,942 were requests for fingerprint based searches of the FBI database criminal history information requests, a 37% increase over 2014.

Sex Offender and Offenders Against Children Registry

Sex offenders and offenders again children are required to be registered on our website. For fiscal year 2016 the office added 157 offenders against children, of which 27 are currently incarcerated. Through fiscal year 2016 there are 1,752 sex offenders and 396 are currently incarcerated.

Legal Services

Forty assistant attorneys general assist state entities with a significant variety of legal issues. The legal services divisions of the office are currently working on a significant number of cases including:

Waters Of The United States (WOTUS)
North Dakota successfully challenged the Environmental Protection Agency (EPA) and Army Corps of Engineers' proposed rule known as the WOTUS rule, which sought to redefine "waters of the United States" for purposes of the Clean Water Act and greatly expand federal regulations across the state. The case is currently pending in federal court.

Bureau of Land Management anti-fracking
North Dakota and other states successfully challenged the Department of Interior and Bureau of Land Management's (BLM) "Fracking Rule" which sought to undermine the State's regulation and management of fracking. The case is currently pending in the 10th Circuit Court of Appeals.

Clean power plan
North Dakota and numerous other states have challenged the EPA's Clean Power Plan Rule. The Rule imposes a massive burden on states to develop and implement plans that must reduce carbon dioxide emissions to levels mandated by EPA. The Rule is currently stayed by the U.S. Supreme Court.

Venting/flaring
North Dakota, Wyoming, and Montana filed suit against the Department of the Interior and the Bureau of Land Management, seeking to vacate the federal government's "venting and flaring" rule. North Dakota participated in a hearing on the office's motions for a preliminary injunction in Wyoming on January 6.

Corporate farming
The Office of Attorney General is defending the State's Corporate Farming law in federal court from a constitutional challenge made by eight plaintiffs (a non-profit farmer advocacy corporation; a ND farming corporation; a Wisconsin individual who is a member of a Wisconsin dairy LLC; a Wisconsin dairy LLC; a ND pork farmer; a ND pork non-profit advocacy group; a ND beef rancher; and a ND Beef Consultant LLC. This is the fifth constitutional challenge against the Law in the past decade.

Stream protection rules
North Dakota has filed suit in federal court against the U.S. Department of Interior over the "Stream Protection Rule." The rule, which the office contends violates federal law and the United States Constitution, places numerous onerous restrictions on surface coal mining and reclamation activities.

Minnesota Next Generation Energy Act
North Dakota successfully challenged Minnesota's Next Generation Energy Act (NGEA) in federal court, which ruled the Minnesota law unconstitutional, faulting the law as "overreaching." The Eighth Circuit Court of Appeals agreed that the law illegally sought to regulate activities taking place wholly in North Dakota, well beyond Minnesota's borders. If left in place, the law would have prevented North Dakota utilities from selling power into the Midcontinent Independent Transmission System Operator (MISO) market – hurting businesses and customers in both Minnesota and North Dakota. The State of North Dakota and the other plaintiffs are currently seeking the recovery of over $1 million in attorney's fees.

Abortion Control Act
The office defended the constitutionality of the 2011 Legislative Session's House Bill No. 1297, the Abortion Control Act, and appealed to the North Dakota Supreme Court the district court's ruling.

Other litigation
The office sued the United States Forest Service over public access in North Dakota's 1.2 million acres of national grasslands. The Forest Service has taken unprecedented steps to close unimproved roads and trails and restrict access in the grasslands.

In addition, the office worked with other states in filing amicus briefs in federal litigation involving energy generation issues.

Tobacco Diligent Enforcement Arbitration

The office represented and continues to represent the state in proceedings dealing with the Master Settlement Agreement (MSA) and the state's compliance with N.D.C.C. ch. 51-25, the Tobacco Sales Act, resulting in the state collecting $20,466,444 in fiscal year 2016 and $42,230,481 for the 2013-15 biennium. From inception of the MSA through fiscal year 2016, the state has received $401,660,676 in tobacco settlement payments.

The office's participation in the first tobacco diligent enforcement arbitration (2003) resulted in saving the state $23 million in the first year. The office will continue to participate in subsequent tobacco diligent enforcement arbitration processes.

Charitable Gaming

During the 2013-15 biennium, the licensed gaming organizations took wagers of $571 million, raising over $43 million for charitable uses (such as student scholarships,

community crime prevention projects, financial and other assistance to injured and disabled veterans), and generated $6.8 million for the state's general fund.

Lottery Transfers

The Lottery Division transferred $14.3 million to the state general fund, $845,000 to the multijurisdictional drug task force grant fund and $400,000 to the compulsive gambling prevention and treatment fund for the 2013-15 biennium. For fiscal year 2016 the Lottery transferred $9.6 million to the state general fund.

CURRENT AND FUTURE CRITICAL ISSUES

Fentanyl, Heroin, and Other Illicit Drugs

More serious than the increase in the number of narcotic cases is the complexity of the cases that occur. Human traffickers are bringing drugs, especially methamphetamine, heroin, and heroin cut with fentanyl, into the state directly from the international cartels in much greater quantities. Law enforcement is also reporting that almost without exception traffickers are heavily armed.

An alarming trend seen in 2016 is the enormous increase in heroin, heroin cut with fentanyl, fentanyl, and overdoses in relation to these drugs. Fentanyl has resulted in several overdoses as it takes just 2 grams, the weight of a mosquito, to be fatal. Prior to 2016 heroin was relatively rare. Heroin and heroin laced with fentanyl are gaining an alarming foothold in North Dakota. Naloxone counteracts the effects of opiate overdoses (administered by medical staff) and is being increasingly used to counteract the increasing number of overdoses in the state.

Criminal Investigator Work Demands

The increase in the state's population due to the energy industry and good business climate continues to be very taxing on Bureau of Criminal Investigation (BCI) criminal investigator's time, resources, and well-being. Criminal investigators are investigating crimes that have not traditionally occurred in this state, including: gang activity, murder for hire, organized crime including organized drug trafficking, and human trafficking crimes. This new, very mobile workforce is responsible for not only trafficking drugs from their home state but also introducing new drug producing methods. Although the mobile workforce related to the energy industry has decreased, criminals have stayed and are responsible for trafficking drugs from their home state. Most North Dakota

counties populations remained steady and did not experience a significant growth reduction.

This biennium the office added eight criminal investigators, seven of which were placed in western North Dakota. Two criminal investigators were assigned to a new office in Watford City. BCI has not experienced any type of workload slowdown in any part of the state. Heroin use is at an all-time high. Heroin laced with the deadly compound fentanyl has resulted in numerous overdose and overdose death investigations for office criminal investigators. Marijuana, prescription drug abuse, and methamphetamine (meth) are still prevalent. The 10 drug task forces around the state continue to be busy. BCI is part of each these task forces and has a criminal investigator assigned as a supervisor to all but one of the task forces. The office continues to deal with organized drug trafficking organizations in all parts of the state.

Aside from continued drug enforcement, criminal investigators have been continually busy with general investigations including homicides, multi-county burglaries, officer involved shootings (including one officer death), and have seen an increase in agency internal investigations and other numerous regular cases. The office has trained and equipped a group of criminal investigators to respond to and process crime scenes. The training consists of 10 weeks at the National Forensic Academy in Tennessee and the office now has 3 crime scene units to bring specialized equipment and staff wherever needed. This crime scene unit now responds to crime scenes in departments of every size including Fargo, Grand Forks, Minot, Mandan, Bismarck, Williston and throughout the state. These crime scene trucks and teams are located in Williston, Bismarck, and Grand Forks.

The office's cybercrime unit continues to see an increase in child exploitation investigations which include operations with local law enforcement targeting adults wanting sex with children. Forensic computer examinations continue to be a large part of this unit. Office criminal investigators have assisted the FBI and BIA with reservation cases to include crime scene investigations of federal officer involved shootings. The Dakota Access Pipeline (DAPL) events have put heavy demands on these criminal investigators, keeping them extremely busy and resulting in significant overtime and travel expenses. This event generated so much work BCI had agents coming from across the state and from South Dakota and Wyoming to assist Morton County with DAPL activities.

Other cases similar to DAPL were the Dru Sjodin case in Grand Forks and the Moe Gibbs case in Valley City. Both of these cases were high profile homicides that local law enforcement relied on BCI to investigate. BCI has become expected to be the best trained and equipped agency that local law, state, and federal law enforcement rely on. For fiscal year 2016, fifty-one sworn criminal investigative personnel opened 1,030 new cases in 2016. The office has never gone over 1,000 law enforcement cases in its history. In 2010 the number of cases totaled 857. The case average from 2010 to 2016 has been 839.

The new positions received last session have enabled the office to conduct some proactive investigations and participate in some larger cases with federal partners, while providing additional support to local law enforcement.

Implementation of Medical Marijuana

Implementation of the medical marijuana measure as currently proposed in bill form is estimated to result in 1,400 criminal record checks on compassionate care centers or compassion caregivers in the 2017-19 biennium and about 3,000 in the 2019-21 biennium. The office will need one identification technician position in the 2017-19 biennium and an additional identification technician position in the 2019-21 biennium. If the measure remains as originally passed, five identification technician positions for criminal history records, several criminal investigators, and financial staff will be necessary. In addition, a forensic scientist is needed due to anticipated increases in medical marijuana illegal sales and other related crimes including burglaries.

The Department of Health may have numerous court processes take place as any appeal to the medical marijuana law is now going to go to Burleigh County District Court. This will likely impact legal staff if this occurs frequently.

Marijuana is the most commonly used illicit drug in the United States and in North Dakota. In North Dakota in a 2015 Uniform Crime Report nearly 52% of narcotics violations involved marijuana. A 2014 National Survey on Drug Use and Health reported that of the 27 million people associated with illicit drug use, 22 million had used marijuana or hashish, 81% of the total.

Marsy's Law Implementation

If this office is designated as the primary victim notification center, the SAVIN system vendor estimates it will take about two years to upgrade the system to comply with Marsy's law. Until then, the prosecuting attorneys will serve as the central location. The office has received responses from city and states' attorneys that the burden of serving at the conduit for victim notifications is expensive, and in some cases, cost prohibitive. Much of the criminal justice activity about which victims need to be notified in a timely manner occurs outside of business hours for prosecuting attorneys.

The current North Dakota Statewide Automated Victim Information and Notification (SAVIN) registration system was designed to automate notifications to comply with Fair Treatment Standards, which include basic notifications for court cases, incarceration, and protection/restraining orders (N.D.C.C. chs. 12.1-34 and 12.1-35). Marsy's law has additional notification requirements beyond the current SAVIN system capabilities.

To comply with the measure as passed is estimated to cost $815,000 from the general fund (1 part-time temp - $73,000; and $742,000 in operating – these are primarily one-time costs).

A determination needs to be made regarding the entity responsible for the cost of victim notification cards which need to be provided to each individual contacted as a possible victim to comply with the law.

The office may see an increase in calls for assistance where a victim states that their rights were either not explained to them or their rights were explained and they were not given the proper option to activate those rights. This can include increased assistance to either law enforcement or state's attorney's offices. Each of these claims will need office assistance as law enforcement and state's attorney offices may be viewed as having a conflict of interest. The office may see an increased workload as the state of North Dakota and its state law enforcement officers may be taken to court for not providing the victim cards or allegations of not assisting in the activation of the victims' rights.

Criminal Investigators Salary Issue

The office has historically attempted to recruit and hire experienced investigators from local agencies or other state agencies to fill criminal investigator positions. The office's hiring requirements include five years of law enforcement experience, a bachelor's degree, and to be licensed as a peace officer. In order to acquire and retain investigators with the above qualifications the office must offer higher salaries.

It has been difficult to hire these individuals in the last few years due largely to the office's limited salary levels, including the starting criminal investigator salary. Because of the substantial crime increase throughout North Dakota, calls for assistance, and population growth the office has been concentrating on retaining experienced and trained investigators. The office needs these experienced investigators to combat the organized and dangerous criminals in North Dakota. BCI criminal investigations have become much more sophisticated, detailed, and time consuming than in the past. For all these reasons the office needs to continue to hire and retain experienced investigators to serve the public and keep the public safe.

This office's request includes continuing the $1,026,301 (from the general fund) appropriation approved in the 2015-17 biennium for investigator equity increase due to the above reasons and based on local law enforcement and Highway Patrol salaries and related benefits. Other public law enforcement agencies expect the office's BCI staff to have the expertise they may not have.

Intelligence Analysts – North Dakota State and Local Intelligence Center and Western North Dakota

With the ever increasing demands on law enforcement throughout North Dakota, the need for sharing criminal intelligence is of the utmost importance. The North Dakota State and Local Intelligence Center (SLIC) in the office is comprised of state and federal law enforcement agencies, as well as the North Dakota National Guard Counter Drug program personnel. The mission of the North Dakota SLIC and the role of the analyst is to collect, store, analyze, and disseminate information on both real and suspected crimes to the law enforcement community, government officials, and private industry concerning dangerous drugs, fraud, organized crime, terrorism, and other criminal activity for the purposes of decision making, public safety, and proactive law enforcement.

These civilian (non-sworn) intelligence analyst positions provide vital investigative support to various law enforcement agencies in North Dakota, as well as throughout the nation. Job duties of these positions include inputting data from ongoing investigations, search warrants, traffic stops, etc., into a centralized intelligence database; conducting trend analyses, statistical studies, link analyses, and case support; and providing targeting information to the various local, state, and federal law enforcement agencies.

The above demands have caused a substantial workload increase for the analysts due to the constant need to monitor and tally all available statistical data requested by policymakers. The development and production of multi-fusion center related analytical products are a yearly requirement in order to obtain Department of Homeland Security grant funding for the fusion center.

Information Technology Division Infrastructure and Program Needs

The office's BCI and Crime Lab operations rely heavily on the expertise and skills of the office's Information Technology (IT) Division to develop new programs, and maintain and support new and existing projects. Between 80-90% of all IT services used in this office are for the BCI and Crime Lab.

It is essential that the IT Division receive the funding, staff, and other resources needed to ensure that critical internal and external existing programs function efficiently, that project funding deadlines can be met, and delays in development are kept at a minimum. Some of the systems BCI uses daily are outdated and/or ineffective and need immediate attention in order to ensure continued work productivity. Unfortunately, funding and staff to support and upgrade these systems is not readily available, and as a result, delays in upgrades and support are frequent due to the competing demands for limited IT services.

Loss of Federal Funding

The BCI and Crime Lab depend on federal grant funds in order to carry out the many law enforcement projects needed by the state. The current trend of reduced federal funds continue to challenge the office to stretch every dollar in some program areas. In addition, use federal funds restrictions continue to tighten.

OFFICE OF ATTORNEY GENERAL BUDGET ISSUES AND REQUESTS

Office/State Impacts Due to 10% General Fund Reduction

The vast majority of the office's staff (81%) provides legal/law enforcement services to state and local entities by law. General fund reductions at this level really impact the office's ability to work local law enforcement cases, provide training and hands-on legal and law enforcement support, purchase needed supplies and equipment, travel to other locations and to assist law enforcement throughout the state.

Governor Dalrymple required state agencies to submit budgets reflecting 10% general fund reductions (90% budgets) – for this office it translated into a $5.17 million general fund reduction. As a result of this, the following are the general fund reductions made by this office:

1	An auditor
3	Administrative assistants - requested funding source change for one position and one was a reduction in force due to the allotments
1	Forensic scientist
1	Intelligence analyst - requested funding source change
6	Total positions reduced

Position funding sources where changed wherever possible, which is a temporary solution. Where retirements occurred, staff filling these positions was paid less than the previous person. Abortion litigation fees were removed.

In addition, general fund operating expenses (including criminal investigator and deputy fire marshal business travel, reducing some of the number of outlying offices, IT contractual services used in place of staff), were reduced by $1.8 million. CJIS expenses were reduced by $321,000 related to IT projects for law enforcement, victims, and state's attorney staffs.

The 2015-17 law enforcement line expenses were reduced by $714,000, which impacts the timeliness of information such as sex offender registration, reduced temporary assistance and criminal investigator overtime used for extra assistance provided to state

and local law enforcement when dealing with drawn out and complex law enforcement cases, and operating expenses such as travel, crime scene supplies, training, and other case supplies. Fire Marshal services operating used to assist locals was reduced by $112,300. The Intellectual Property attorney operating expenses were reduced by $19,000.

Additional Reductions Recommended by Governor Dalrymple

Governor Dalrymple's recommended budget included the following additional reductions.

Staff Reductions:

- 2 vacant criminal investigative positions left open due to the general fund allotments
- 4 filled criminal investigative positions
- 1 vacant identification technician, who performs criminal history record checks, which remained vacant due to the general fund allotments
- Changed the funding source for 1 criminal intelligence analyst which was vacant due to the general fund allotments
- 1 vacant system administrator, now filled
- 2 at large filled FTE's
- 1 filled assistant attorney general
- 1 additional filled forensic scientist
- Changed the funding source for 1 BCI administrative assistant

Law enforcement overtime and office temporary salaries were also reduced. The above position reductions significantly impact the performance of the office's responsibilities, particularly in law enforcement assistance to locals since the criminal investigators, administrative assistants, identification technician, system administrator, forensic scientists, attorney, and intelligence analyst provide law enforcement services to local and state units of government.

The Governor's base budget recommendation included continuation of the criminal investigator and gaming audit staff market equity increases since these are not one-time expenditures. The recommendation also included $893,509 for 2017-19 biennium compensation and benefit increases. Of the total $818,534 is from the general fund, $8,139 is from federal funds, and $66,836 is from other funds.

The IT manual disaster failover process included in the Governor's base budget recommendation totals $130,153 from the general fund and is desperately needed to assure all IT systems can be recovered quickly in the event of a disaster. The office currently operates without such a system. If a large scale disaster occurs, it could take weeks to bring office systems back into operation, several of which are critical to all law

enforcement. With this project recovery of all office IT systems/data will likely take 24-48 hours with only 1-4 hours of data loss.

The Governor's base budget includes an increase of $37,500 in other funds for tribal gaming auditing activities and $175,000 in other funds for increased statewide fire inspections.

General Fund Allotments During the 2015-17 Biennium

The 6.55% general fund allotments for the 2015-17 biennium impacted the office as follows:

- The office delayed hiring 8 new criminal investigators and a criminal intelligence analyst which resulted in salaries and operating savings including rent, travel, various supplies, etc. – this also meant there were less services provided to local law enforcement and North Dakota constituents during this time;
- Laid off a full-time, filled administrative assistant position, resulting in increases to other staff members' workloads;
- Hired new staff at lower salaries;
- Left unfilled 10 positions which became vacant during the biennium;
- Reduced criminal investigator overtime used to keep investigative staff working after hours to assist in meeting local law enforcement needs;
- Applied a criminal investigators retirement rate reduction;
- Eliminated all general fund Crime Lab laboratory supplies, which impacts criminal case evidence analyses completion and can result in using outdated methods to complete these analyses; reduced equipment and building repairs were also reduced;
- Reduced IT contractual services, which has been used to fill IT programming gaps due to lack of staff – this results in less programs being rewritten, completed, slowdown in program upgrades occurring, and affects maintenance needed for current IT systems, which hurts external customers also;
- Reduced professional, building, office and other equipment supplies, building rent, postage, printing, equipment repairs, telephone expenses, training, and less professional services;
- Reduced Crime Lab utilities – with the winter North Dakota has experienced so far this may result in the inside of the building being cooler than normal; and
- Decreased business travel, resulting in lower levels of services provided to local law enforcement entities.

2017-19 Biennium OAG Optional Adjustments Requested

Restore Staff Removed Due to the 10% General Fund Budget Reductions

1	An auditor
2	Administrative assistants - requested funding source change for one position
1	Forensic scientist
1	Intelligence analyst - requested funding source change
6	Total positions

Without the auditor charitable gaming organization audits will be completed less often which can, and in the past has, resulted in delays in detecting fraudulent activities.

One administrative assistant, eliminated in the general fund allotments, is the sole administrative position for 15 gaming auditors and audit technicians. This position is responsible for processing criminal history record checks for charitable gaming organization and primary "owners," all filing, reception for the 17th floor, copying, etc.

One administrative assistant is responsible for keeping the database for all sex offenders and offenders against children accurate and up-to-date, assuring the offenders follow the statute which requires them to register when information such as employment, address, school, and vehicle changes occur.

A forensic scientist usually trains to work in DNA, drug chemistry, or toxicology. To lose a forensic scientist results not only in losing valuable, very technical experience; it also results in costly, specialized training walking out the door with the position.

Crime Statistics Repository Replacement

This $280,000 general fund project is to replace the Uniform Crime Reporting Repository (UCRR) system, which is reaching its end of its life and system support in the 2017-19 biennium. The UCRR system is the North Dakota repository of National Incident-Based Reporting System (NIBRS) information, as required by state N.D.C.C. § 12.1-62-01.1. The statistics provided by the UCRR system are used across the state to provide information that is useful to policy-makers, community leaders, and law enforcement agencies so they understand criminal activity and develop better prevention and enforcement policies and techniques. State & federal agencies that are supplying grants to law enforcement agencies utilize the NIBRS statistics to see what the law enforcement agency is reporting for crime before awarding funds. Crime rates and trends are also important information for the public.

Fire Marshal Operating Increases

The Fire Marshal's workload has increased over 30% in the past seven months. Fire investigations are projected to increase 32% in fiscal year 2017. Incendiary fires have significantly increased in the past two years. The national incendiary fires average is 3.8% of all fires. North Dakota's incendiary fires rate is 10%, almost triple the national average. Hazardous material incidents have also significantly increased. Just travel expenses alone have increased about 34%. A $40,000 general fund increase is requested to assist in meeting the above needs.

In addition, increased fire investigations will likely result in increased fire inspections, which is the reason for the $175,000 other funds request. The Fire and Tornado fund pays for fire inspections of their covered entities.

Undercover Vehicles

The office uses a combination of State Fleet and office-purchased vehicles to help maintain a diverse investigator undercover fleet. These vehicles are rotated across the state for investigator safety and undercover effectiveness. These vehicles are replaced every four years or 75,000 miles. For the 2015-2017 biennium, the office anticipates replacing 12 vehicles at a total general fund cost of $300,000.

Crime Lab Maintenance for Specialized Equipment

This general fund request is $76,900 to continue to maintain Crime Lab specialized equipment maintenance agreements which analyze law enforcement evidence relating to crimes committed. With specialized lab equipment maintenance agreements the companies respond very quickly to place this equipment back into service and the state saves significant money because the lab does not have to pay anything more for out-of-service equipment. Without these agreements, millions of dollars in specialized lab equipment can sit idle when in disrepair, which results in delays of evidence processed and could result in a criminal not being charged due to the evidence not being processed in a timely manner. Without the agreements the lab is responsible for the cost of all service provided and repair costs.

North Dakota Statewide Victim and Information Notification Program (ND SAVIN) and state's attorney case management system (ND STARS) Programs Annual Maintenance Increases

This funding is for annual software maintenance for the North Dakota Statewide Automated Victim Information and Notification System (ND SAVIN), which facilitates providing mandated notifications to victims, and the statewide state's attorney case management system (ND STARS) Program, which facilitates efficient information sharing among state's attorneys. It is industry standard for annual software maintenance costs to increase 5% per year. This general fund request totals $92,633.

SAVIN Protection Order Notification Service Text Messaging

This funding will keep text messaging as a notification option for the North Dakota SAVIN's Vine Protection Order Notification Service (VPO). This general fund request is $9,480.

SAVIN Upgrade: VINE3 - Phase 1 of 3

This project is for planning/business analysis for an upgrade from Appriss's Victim Information and Notification Every day System (VINE) to VINE3. It is required because the end of life and system support has been announced for VINE. VINE is the victim notification program used by ND SAVIN to keep thousands of victims apprised of offender releases from incarceration, court events, and protection order updates. This general fund request totals $55,000.

Office DOS-Based Deposit System Re-Write

This project will rewrite the antiquated office-wide deposits system from DOS to .NET. The current application will not run on a 64 bit operating system (Windows 10, which is currently out and in use, is a 64 bit operating system). The deposit system has been unsupported by a vendor for a decade and the person who knew how to maintain it retired. The database fills up and the office has no way to empty it or add space. After conducting system analytics this request has become a much higher priority and the request is for $100,000 from the general fund. This system works in conjunction with several office systems and this DOS system is no longer workable given the upgrades/rewrites to the other office systems.

Major Ongoing General Fund Increases/Decreases by the 2013 & 2015 Legislative Assemblies

2013-15 Biennium Ongoing Changes

- Federal stimulus funding source change for 2 criminal investigators, 1 grants administrative assistant, 2 criminal intelligence analysts and 2 forensic scientists - $1,335,443 from the general fund
- 2 criminal investigators and 1 administrative assistant - $457,146 from the general fund
- One forensic scientist to analyze synthetic drugs evidence and other drugs - $150,406 from the general fund
- Forensic scientist targeted market equity/certification increases - $171,000 from the general fund
- 1 programmer analyst and temporary salaries, operating - $486,856 from the general fund

- Crime Lab temporary forensic assistance - $87,026 from other funds
- 1 assistant attorney general to provide legal services to the Department of Trust Lands - $239,853
- Assistant attorneys general targeted market equity increases - $480,717 from other funds
- 1 Uniform Crime Registry administrative assistant - $116,143 from other funds
- 24/7 Sobriety program implemented statewide - $121,390 from the general fund and $6,375,572 from other funds
- IT contractual maintenance for existing systems - $332,800 from other funds
- 1 organized criminal investigator - $211,471 from other funds
- Criminal history record checks required to possess a concealed weapon license - $232,761 in other funds

2015-17 Biennium Ongoing Changes

- Transfers – 7 ND University System attorneys and 2 legal assistants and related operating - $2,948,434 from the general fund and $438,061 from other funds
- Transfer – 4 Criminal Justice Information Sharing staff, 1 business analyst and operating - $5,401,701, $4,460,219 from the general fund, $650,000 in federal funds and $291,482 in other funds – of this amount $1,250,000 was for CJIS IT one-time projects and $250,000 for a business analyst
- 2.5 assistant attorneys general to assist local law enforcement with increased crime including in western North Dakota - $653,016 - $490,328 from the general fund and $162,688 in federal funds
- Tobacco diligent enforcement arbitration legal services - $200,000 other funds
- 2 paralegals - $307,379 from other funds
- 8 criminal investigators - $2,357,841 from the general fund
- 3 criminal intelligence analysts - $443,608 from the general fund
- 2 administrative assistants – sex offender registry and grants - $255,160 from the general fund
- 2 criminal history identification technicians added to address the substantial increase in authorized criminal history record checks - $310,536 from the general fund
- Targeted market equity changes for criminal investigators ($1,276,301) from the general fund and gaming audit staff ($270,000 from other funds)
- 1 DNA forensic scientist - $177,761 from the general fund
- 1 gaming auditor - $82,907 from the general fund and $60,923 from other funds
- 2 Concealed weapon administrative assistants - $261,766 from other funds
- IT Software, licenses and supplies - $262,332 from the general fund

PROPOSED CHANGES TO 2017 HOUSE BILL NO. 1003

1. The office requests continuation of the $1,026,301 from the general fund approved for criminal investigator targeted market equity adjustments to be able to hire experienced investigators to combat dangerous criminals in North Dakota and to retain well qualified staff to assist local law enforcement.
2. The office requests continuation of $270,000 in other funds for targeted market equity adjustments for Gaming audit staff.
3. This request is to restore the 4 staff positions removed as a result of the 10% general fund budget reduction and to restore the 10 positions removed in the Governor's recommendation. The funding source change for the intelligence analyst and one administrative assistant maintains these 2 positions. This request includes restoration of $315,067 in general fund investigative law enforcement temporary and overtime salaries used to allow the investigators to continue to work longer on local law enforcement cases. Total operating expenses requested are $213,065 from the general fund.
4. The Crime Statistics Repository Replacement upgrades a system no longer supported by the vendor in the 2017-19 biennium. This general fund request totals $280,000.
5. Due to the 10% general fund reductions the Fire Marshal's operating fees were reduced by $40,000. This is a very significant reduction for a division that has very little in its operating budget.
6. It is critical to keep undercover vehicles up-to-date. There are 51 criminal investigators who rely on these vehicles. This request totals $300,000 from the general fund for 12 replacement vehicles.
7. Use of the Crime Lab specialized lab equipment relies on continuing equipment maintenance agreements, totaling $76,900 from the general fund.
8. This $100,000 general fund request is to rewrite a DOS-based office-wide deposit system which interacts with other, newer office systems and cannot be used in Windows 10.

2017 Legislation Having a Fiscal Impact on the Office of Attorney General

Ten criminal history record check bills have been submitted as of January 6, 2017. Although there may be more being submitted, here are the current bills:

House Bill No. 1060 provides for criminal history record checks for Department of Commerce volunteers paid by a child placing agency. The bill provides the record check fee will be paid by the child placing agency.

House Bill No. 1087 provides for criminal history record checks for certified chiropractic clinical assistants. The record check fee will be paid by the individual.

House Bill No. 1113 provides for criminal history record checks for plumbers, water conditioning contractors and installers, and sewer and water installers. The record check fee will be paid by the applicant.

House Bill No. 1132 provides for criminal history record checks for Job Service employees and contractors and is silent on the party paying the fee.

House Bill No. 1157 provides for criminal history record checks for physical therapists and the applicant pays for fee. Also see Senate Bill No. 2131

Senate Bill No. 2029 provides for criminal history record checks for industrial hemp growers and processors for initial licensure and the applicant pays the fee.

Senate Bill No. 2090 provides for criminal history record checks for household members of early childhood service providers which are provided at a residence, emergency designees, and staff members and applicants for early childhood services licensure of early childhood service providers for which the Department of Human Services (DHS) can assess a $30 fee. The current fee for state/federal/fingerprint record checks is $40 which leaves $10 per applicant to be added to either the DHS or this office's budget.

Senate Bill No. 2117 provides for criminal history record checks for record checks for DHS & social service agency contractors, provider applicants, providers, staff members of providers and individuals with 5% direct or indirect ownership interest that may have access to federal tax information

Senate Bill No. 2129 provides for criminal history record checks for all Tax Department employees (was formerly final applicants) and Tax Department contractors having

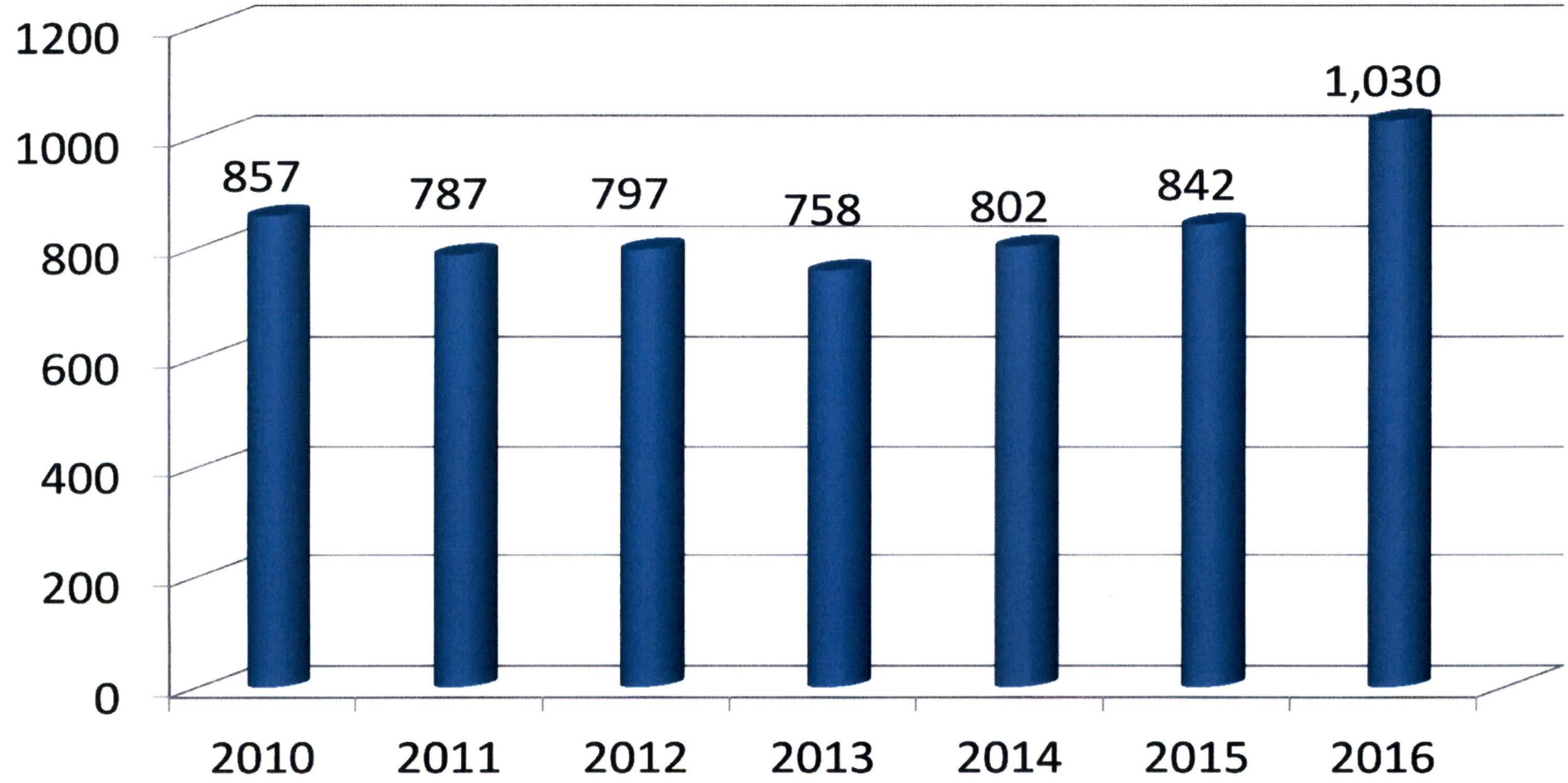
access to federal tax information. Currently the final applicant record checks fees are not charged.

Senate Bill No. 2138 provides for criminal history record checks for health exchange assisters, which pay the record check fee.

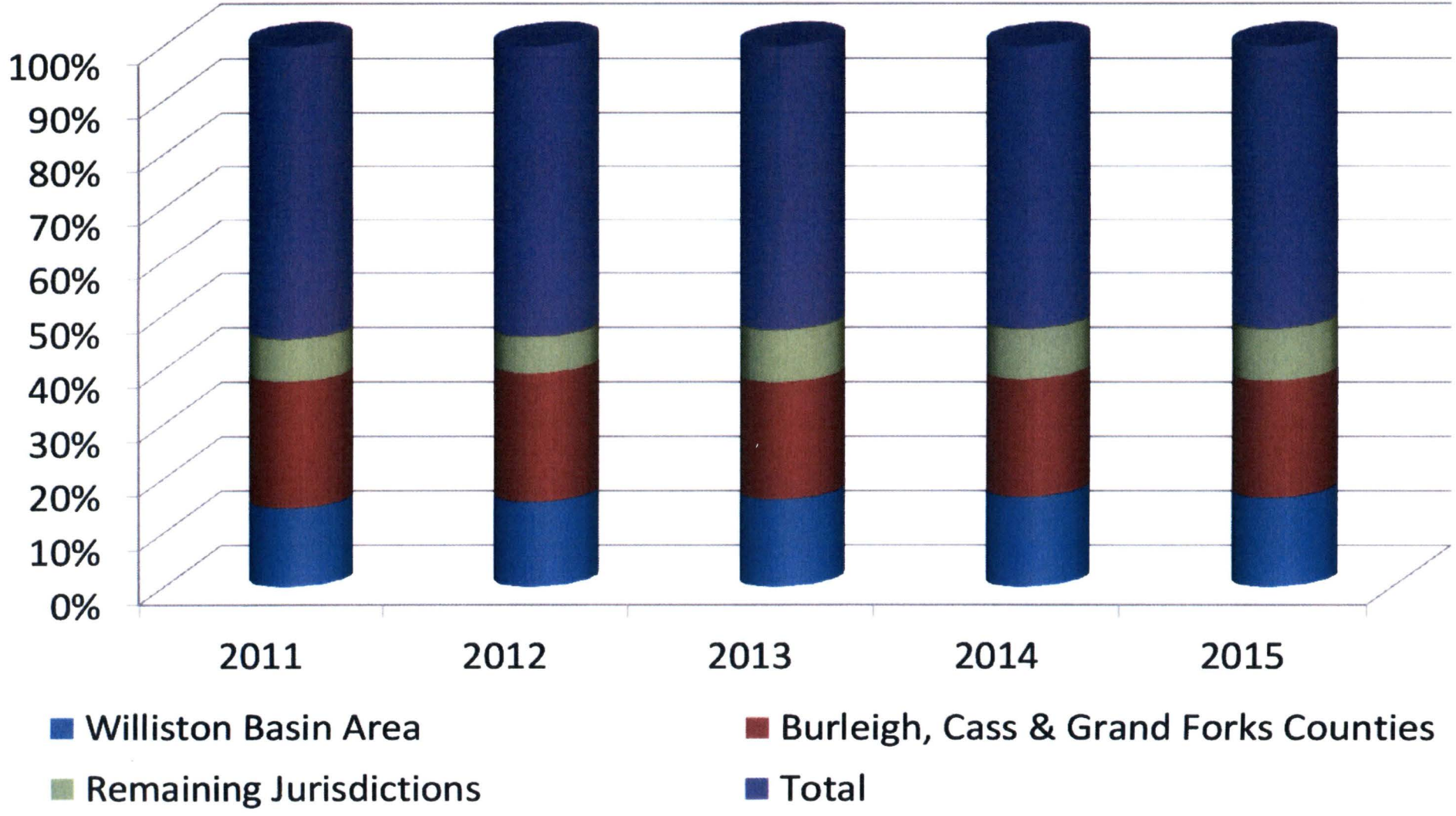
The above criminal history record check bills, if passed, will result in needing one and one-half identification technicians to handle at least 3,033 record checks requested increased in 2017 legislation. One identification technician can process up to 2,000 criminal history record checks per year.

A bill is anticipated to be introduced for medical marijuana implementation, which will fiscally impact this office.

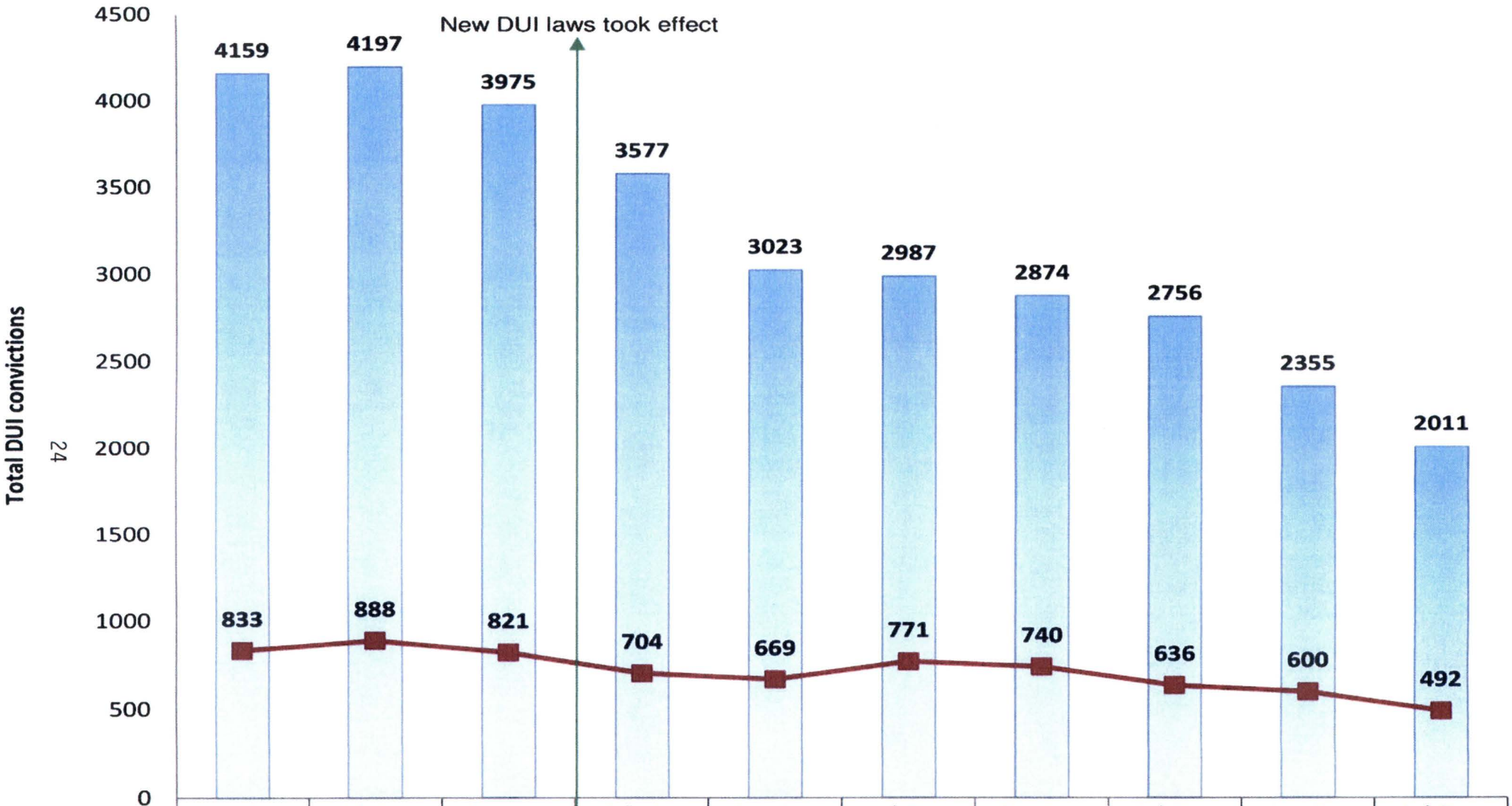
Office of Attorney General
Criminal Investigative Cases



North Dakota Pre- Oil Boom, Oil Boom and Post-Oil Boom Arrests



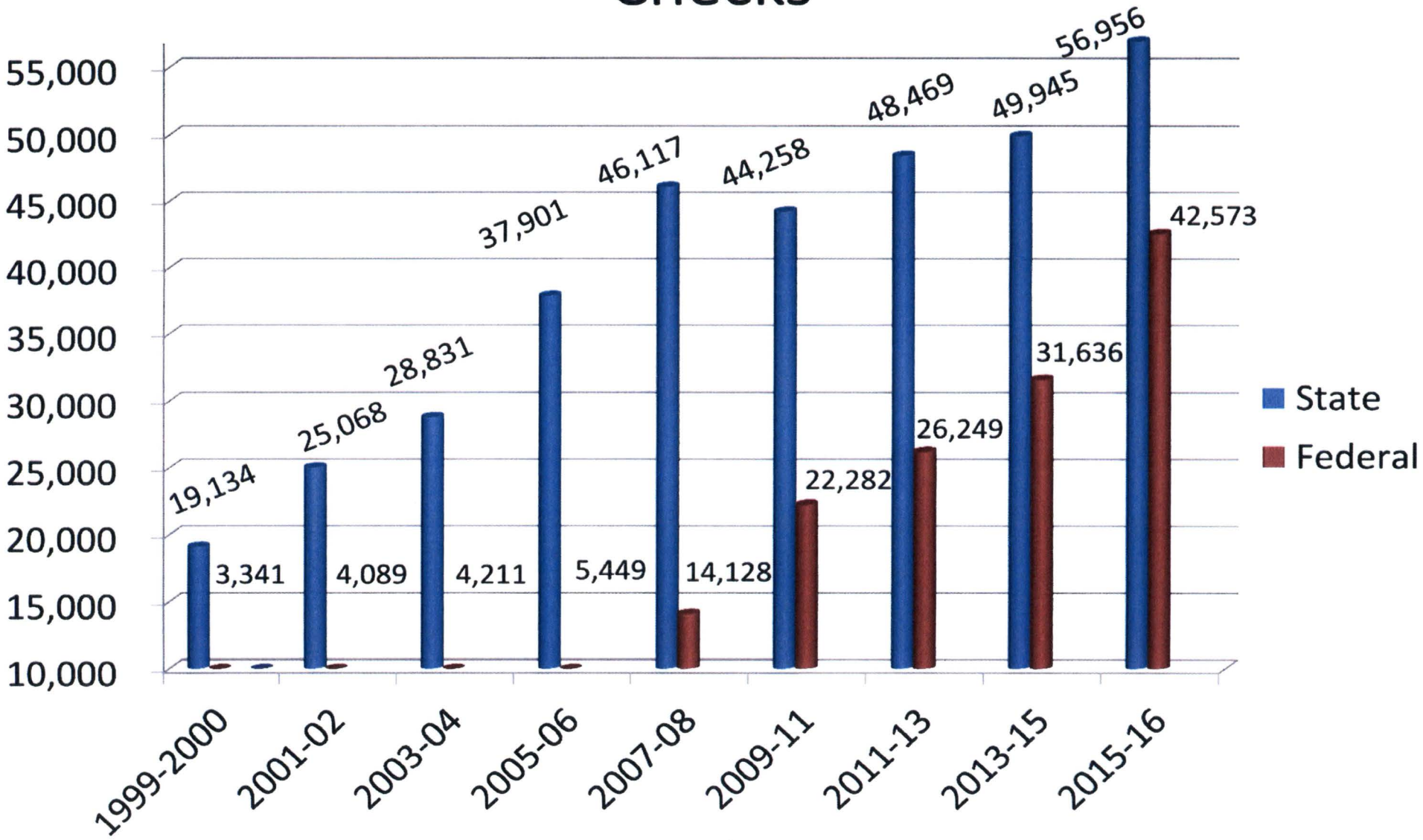
DUI Offense Convictions (through 12-31-16)



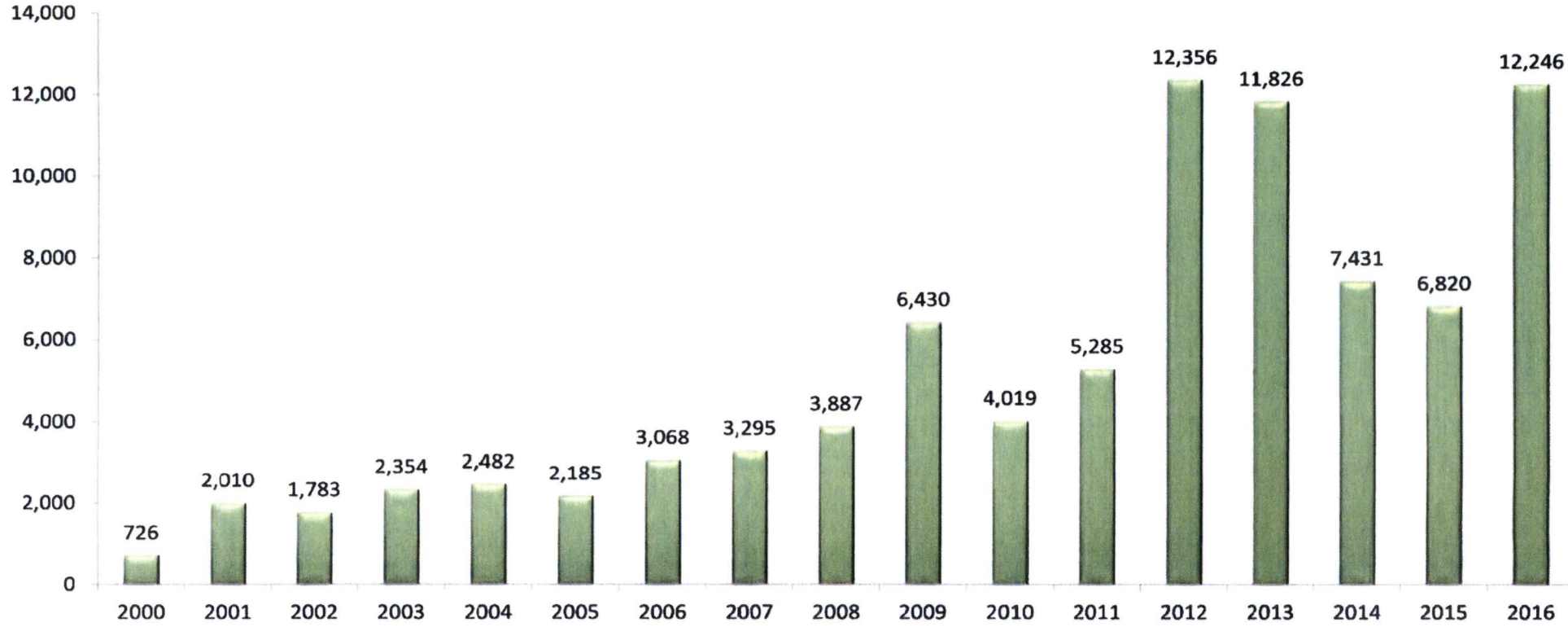
	Jan-Jun 2012	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016
Total	4159	4197	3975	3577	3023	2987	2874	2756	2355	2011
Refusals	833	888	821	704	669	771	740	636	600	492

Source: ND DOT

State and Federal Criminal History Record Checks

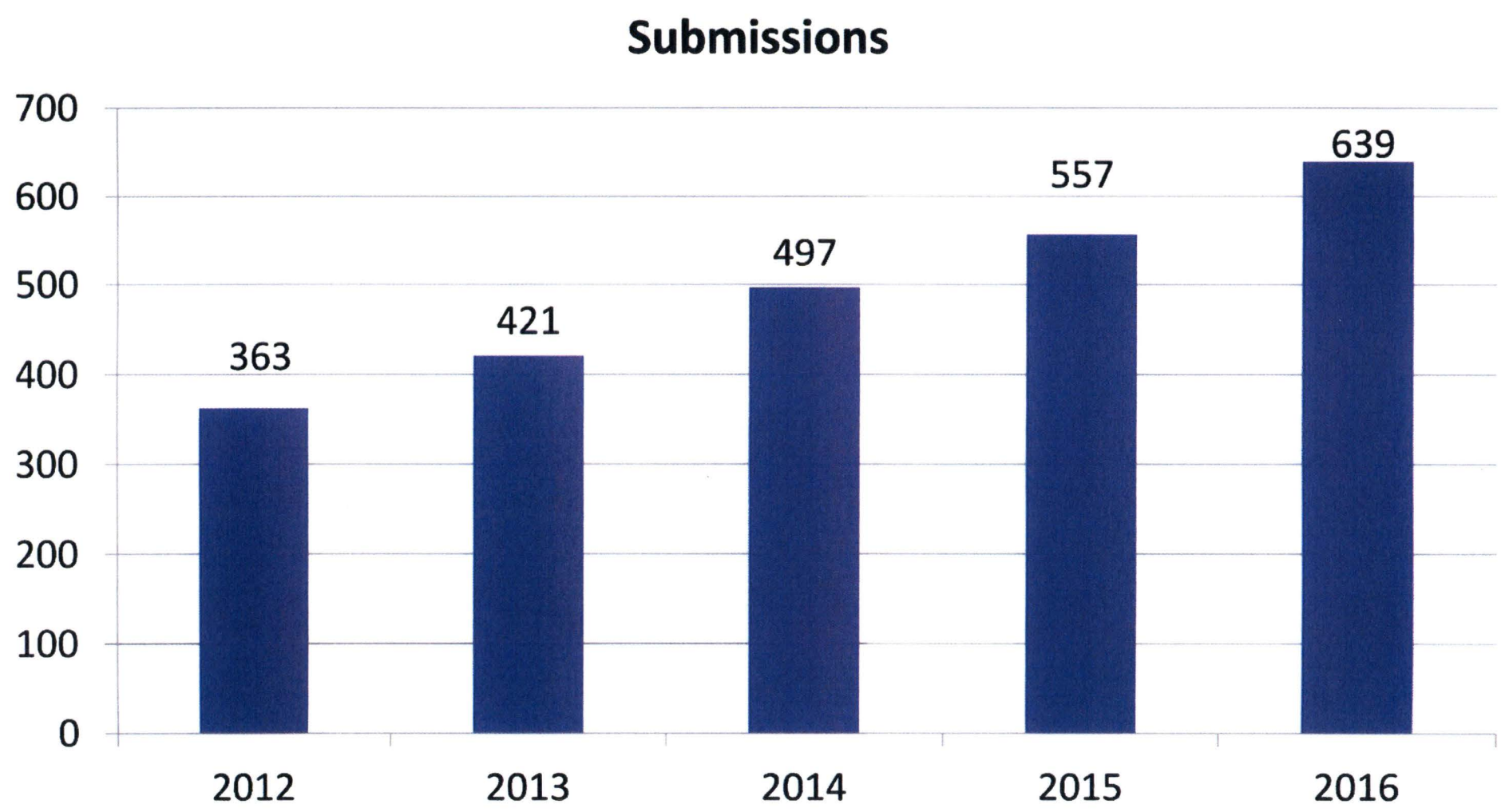


Total Number of Concealed Weapons Licenses Issued

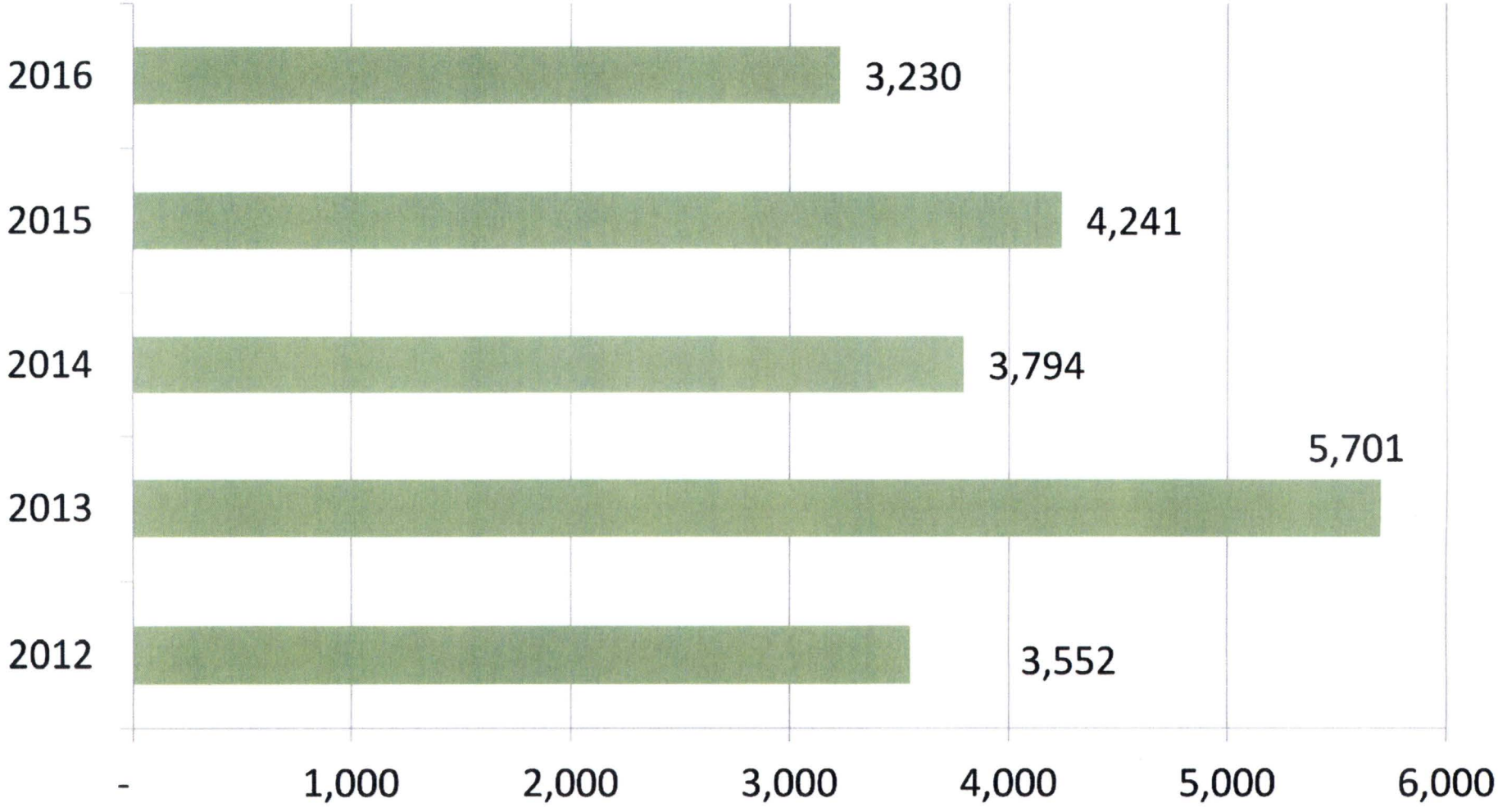


A concealed weapon license is valid for 5 years. There are currently **48,700 active licenses.**

Crime Lab DNA Caseload



Crime Lab All Arrestees Samples



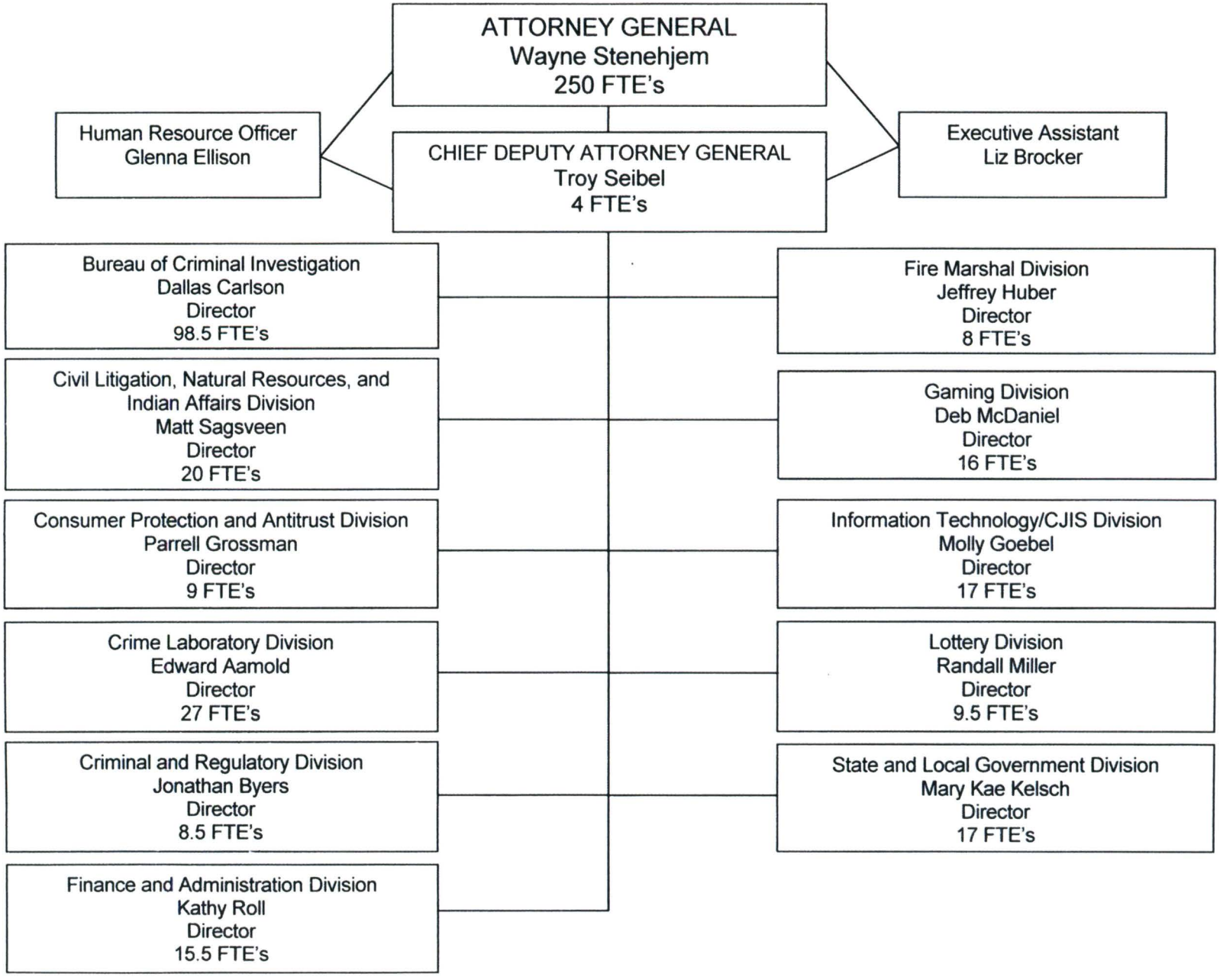
TOP 25 NARCOTICS CONSUMED IN NORTH DAKOTA FOR THE PERIOD FROM JANUARY THROUGH DECEMBER 2015 FROM CRIME LABORATORY CASES

Description	Total	Percent
CANNABIS	5,093	41.82
METHAMPHETAMINE	4,304	35.34
HEROIN	476	3.91
OXYCODONE	273	2.24
COCAINE	235	1.93
DIMETHYLSULFONE	143	1.17
ACETAMINOPHEN	125	1.03
ALPRAZOLAM	123	1.01
PHENYLIMIDOTHIAZOLE ISOMER UNDETERMINED	92	0.76
AMPHETAMINE	89	0.73
HYDROCODONE	88	0.72
CLONAZEPAM	80	0.66
MORPHINE	66	0.54
HYDROMORPHONE	60	0.49
CAFFEINE	52	0.43
BUPRENORPHINE	43	0.35
TRAMADOL	42	0.34
AB-PINACA	40	0.33
3,4-METHYLENEDIOXYMETHAMPHETAMINE (MDMA)	37	0.30
PSILOCYBIN/PSILOCYN	37	0.30
AB-CHMINACA	34	0.28
LORAZEPAM	26	0.21
NALOXONE	26	0.21
FENTANYL	23	0.19
LISDEXAMFETAMINE	23	0.19
Total Top 25 Drugs	**11,630**	**95.48**
Total of All Drugs	**12,179**	

TOP 25 NARCOTICS CONSUMED IN NORTH DAKOTA FOR THE PERIOD FROM JANUARY THROUGH NOVEMBER 2016 FROM CRIME LABORATORY CASES

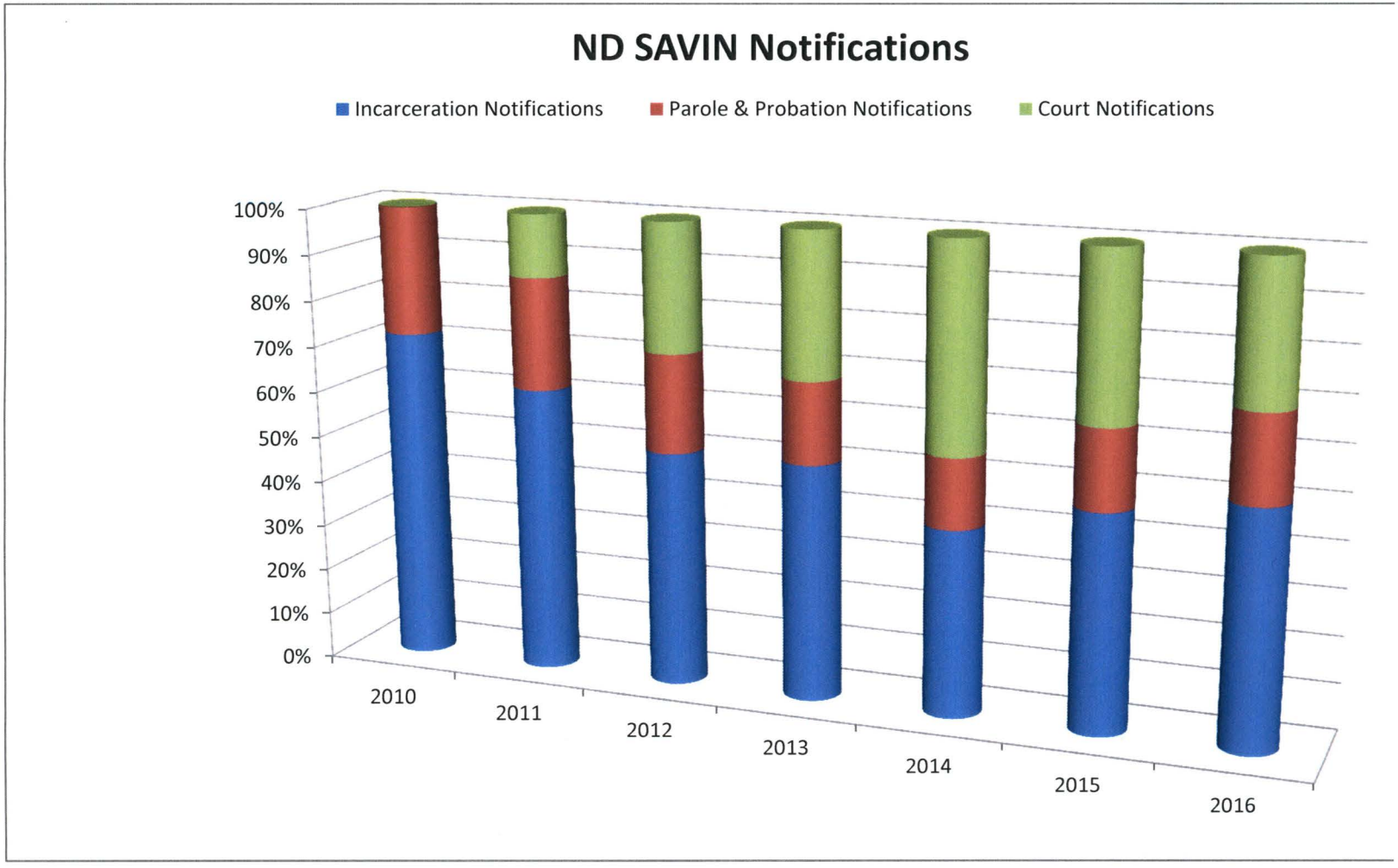
Description	Total	Percent
METHAMPHETAMINE	4,155	35.86
CANNABIS	4,151	35.82
HEROIN	836	7.21
COCAINE	348	3.00
OXYCODONE	266	2.30
DIMETHYLSULFONE	205	1.77
ALPRAZOLAM	149	1.29
PHENYLIMIDOTHIAZOLE ISOMER UNDETERMINED	119	1.03
HYDROCODONE	107	0.92
CAFFEINE	78	0.67
AMPHETAMINE	74	0.64
CLONAZEPAM	73	0.63
ACETAMINOPHEN	62	0.54
FURANYL FENTANYL	56	0.48
FENTANYL	48	0.41
BUPRENORPHINE	42	0.36
TRAMADOL	40	0.35
DIPHENHYDRAMINE	36	0.31
MORPHINE	35	0.30
NALOXONE	35	0.30
HYDROMORPHONE	31	0.27
METHYLPHENIDATE	30	0.26
PSILOCYBIN/PSILOCYN	29	0.25
3,4-METHYLENEDIOXYMETHAMPHETAMINE (MDMA)	28	0.24
DIAZEPAM	26	0.22
Total Top 25 Drugs	**11,059**	**95.43**
Total of All Drugs	**11,587**	

NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
December 2016



ND SAVIN Notifications (2010-2016)

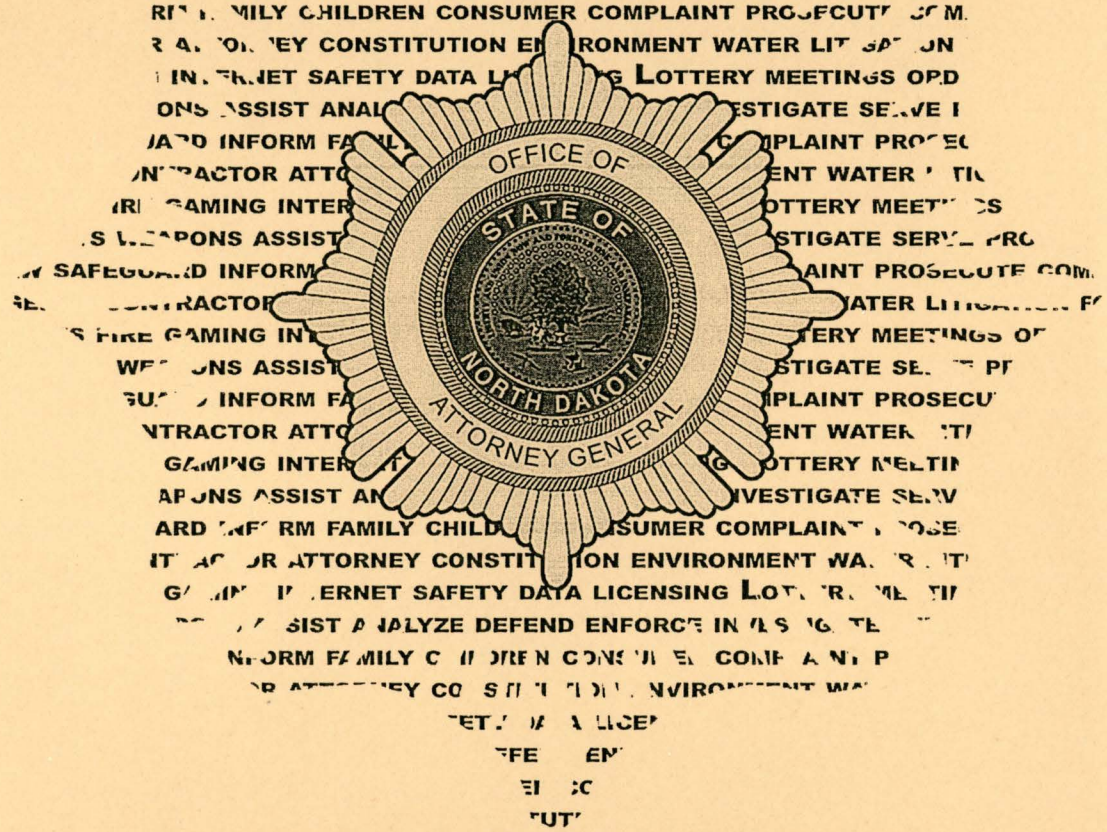
	2010	2011	2012	2013	2014	2015	2016	Total
Incarceration Notifications	4,748	6,698	8,967	12,456	15,336	21,552	28,771	**98,528**
Parole & Probation Notifications	1,834	2,616	3,762	4,308	5,762	7,883	10,559	**36,724**
Court Notifications	-	1,482	4,924	7,664	17,029	16,487	17,053	**64,639**
Total ND SAVIN Notifications	**6,582**	**10,796**	**17,653**	**24,428**	**38,127**	**45,922**	**56,383**	**199,891**



January 10, 2017 HB1003/HB1063 Attachment B

North Dakota

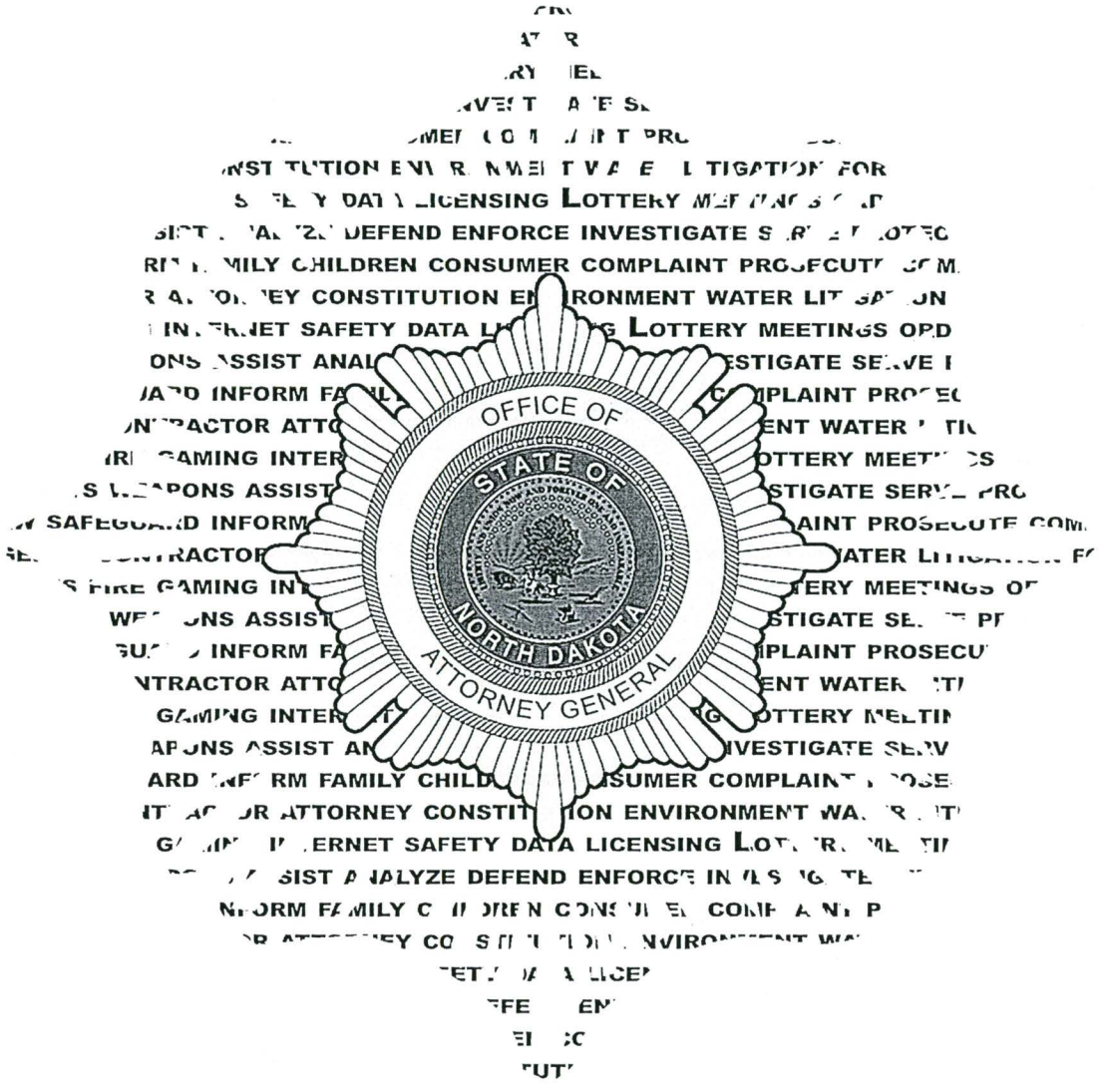
Attorney General



2013-2015

Biennial Report

North Dakota
Attorney General



2013-2015
Biennial Report

Table of Contents

OFFICE OF ATTORNEY GENERAL 1

The Elected Office, Duties and Functions 1
Defects in the Law, Finance 2
Attorneys General, 1889 - 2015 2
Special Assistant Attorneys General 3

REPRESENTING THE STATE 4

General Counsel 4
Protecting our Natural Resources 5
Environmental Litigation, Waters of the United States (WOTUS) 6
Oil & Gas Development and Enforcement, Fracking, Environmental Protection 7
Next Generation Energy Act Lawsuit 8

DEFENDING THE STATE'S RIGHTS 9

Division Services, Wage Claims 9
Litigation - Sam Sex Marriage, Commitment of Sexually Dangerous Individuals, Abortion Control Act 9
Tobacco Master Settlement Agreement - Enforcement, Inmate Lawsuits 10
Criminal Prosecutions, Criminal Cases, Drug Prosecutions 11

SERVING CRIMINAL JUSTICE 12

Criminal Investigations, Drug Trends 12
Bakken Strike Force, Law Enforcement Grants 13
Prescription Drug Take Back, Human Trafficking 14
Crime Statistics, Crime Scene Vans 15
Officer Involved Shootings, Criminal History Record Checks, Concealed Weapons Licenses 16
DUI and Refusal 17
24/7 Sobriety Program, North Dakota State Crime Laboratory 18
Synthetic Drug Submissions, Forensic Analysis 19
Looking Inside a Case File 19
Offender DNA Samples, Internet Crimes Against Children (ICAC) 20
Sex Offender Website, North Dakota Sex Offender Registry 21
Tribal Sex Offender Registries, Sex Offender Risk Assessments 22
Fire Marshal, Fire Safety Inspections, Bar & Restaurant Inspections, Arson Investigations 23

Table of Contents (cont)

SERVING THE PUBLIC **24**

Consumer Protection, Consumer Complaints 24

Top Ten Complaints, Data Security Breaches, Identity Theft, Do Not Call Violations 25

Pervasive Scams - Victim Stories: The Grandparent Scam, IRS Enforcement Scam, Foreign Lottery/Sweepstakes..... 26

Cease and Desist Orders, Contractor Licensing Requirements 27

Licensing, Gaming, Gaming Revenues 28

Quick Shot Bingo, Gaming Compliance, Tribal Gaming 29

North Dakota Lottery, 10th Anniversary 29

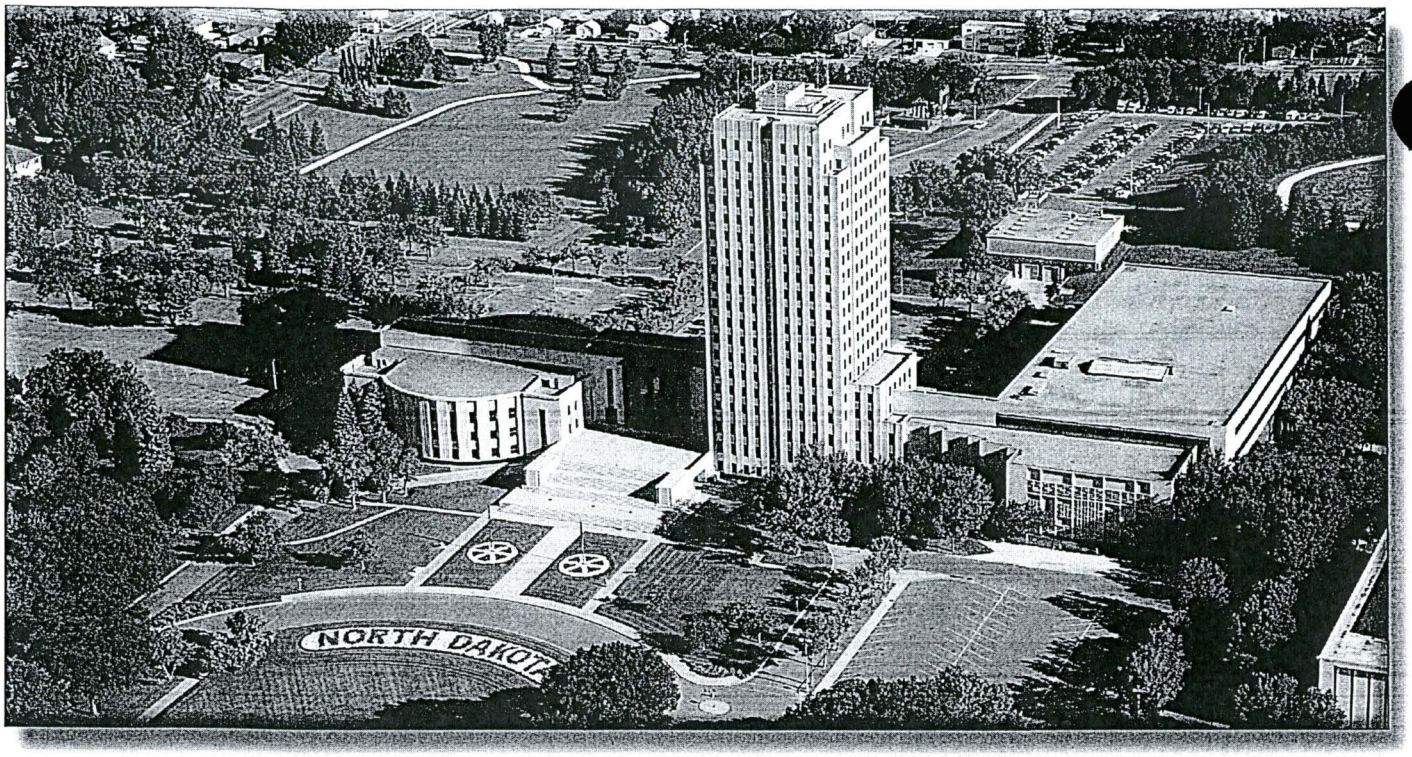
Lottery Generates Record Payouts, New Lottery Game, Players Club, Lottery Ticket Sales, Lottery Proceeds 30

INFORMING THE PUBLIC **31**

Quick Facts 31

LifeSmarts, Public Information 31

Fact Sheets & Publications, Reports & Manuals, Website 32



OFFICE OF ATTORNEY GENERAL

THE ELECTED OFFICE

The Office of Attorney General was established in the 1889 state constitution. The agency is headed by the Attorney General, an independently elected constitutional officer. The Attorney General is one of 12 statewide elected officials.

To be eligible for election to the office of Attorney General, an individual must be a licensed attorney, at least 25 years old, and qualified to vote in the state.

The Attorney General serves on numerous boards and commissions, including the Board of University and School Lands, Industrial Commission (which oversees all state-owned industries), PERS Board of Trustees, Judicial Council, Domestic Violence & Fatality Review Commission, and the Pardon Advisory Board.

Duties and Functions

The duties of the Attorney General are set out in several chapters of the North Dakota Century Code, but primarily in chapter 54-12.

The Attorney General represents the state in all legal matters, civil and criminal, where the state is named as a party or the state may have an interest in the outcome of the litigation.

The Attorney General issues opinions on questions of law related to matters involving state statutes, the state constitution, and matters having statewide significance. The office provides legal services to state and constitutional officers, state agencies, boards, and commissions.

The office enforces the open meetings and open records laws, and issues opinions in response to complaints that a public entity has violated those laws.

In addition to its legal duties, the Office of Attorney General has several divisions with regulatory or investigative functions:

- The **Bureau of Criminal Investigation** assists local law enforcement agencies with criminal and drug enforcement

investigations, maintains the criminal history and sex offender registration systems, and provides training for law enforcement officials.

- The **Consumer Protection and Antitrust division** (CPAT) enforces the state's consumer fraud and Do Not Call laws, investigates and prosecutes consumer fraud cases and enforces the state's anti-trust statutes.
- The **Fire Marshal's division** conducts fire safety training and inspections, regulates the sale, use and storage of explosives (including fireworks), inspects public buildings, day care facilities, and schools to ensure compliance with fire codes, and conducts arson investigations.
- The **Gaming division** regulates charitable gaming, and ensures compliance with tribal-state casino gaming compacts.
- The **Licensing** section regulates and issues certain wholesale, retail, and distributor licenses.
- The **North Dakota Lottery** division is responsible for the day-to-day operation of the lottery and its games.

Defects in the Law

North Dakota Century Code Section 54-12-05 requires the Attorney General to "direct attention to any defect in the practical operations of the law relating to revenue and criminal offenses and shall suggest amendments and changes as in the attorney general's judgment are necessary to subserve the public interest." No such defects were identified.

Finance

- The agency's budget was **$85,126,745.**
- **The 2013-15 revenues collected totaled $89,168,856.**
- The costs associated with defending and prosecuting actions on behalf of the state by attorneys **within** the Office of Attorney General totaled **$2.98 million.**
  - This is only **$380,000 (14%)** more than the litigation costs for the 2011-13 biennium.

ATTORNEYS GENERAL

Wayne Stenehjem	2001-
M. K. "Heidi" Heitkamp	1993-2000
Nicholas Spaeth	1985-1992
Robert Wefald	1981-1984
Allen I. Olson	1973-1980
Helgi Johanneson	1963-1972
Leslie R. Burgum	1955-1962
Paul Benson	1954-1954
Elmo T. Christianson	1951-1954
Wallace E. Warner	1949-1950
P.O. Sathre	1948-1948
Nels G. Johnson	1945-1948
Alvin C. Strutz	1937-1944
P.O. Sathre	1933-1937
Arthur J. Gronna	1933-1933
James Morris	1929-1932
George F. Shafer	1923-1928
Sveinbjorn Johnson	1921-1922
William Lembke	1921-1921
William Langer	1917-1920
Henry Linde	1915-1916
Andrew Miller	1909-1914
Thomas F. McCue	1907-1908
Carl N. Frich	1903-1906
Oliver D. Comstock	1901-1902
John F. Cowan	1895-1900
William H. Standish	1893-1894
Clarence A.M. Spencer	1891-1892
George F. Goodwin	1889-1890

Special Assistant Attorneys General

Several state agencies either have their own legal departments or choose to retain private attorneys on contract. In accordance with state law (N.D.C.C. Section 54-12-08), these attorneys are appointed as Special Assistant Attorneys General (SAAG) by the Attorney General, but are not employees of the Office of Attorney General. They are paid by the state agency that hired them.

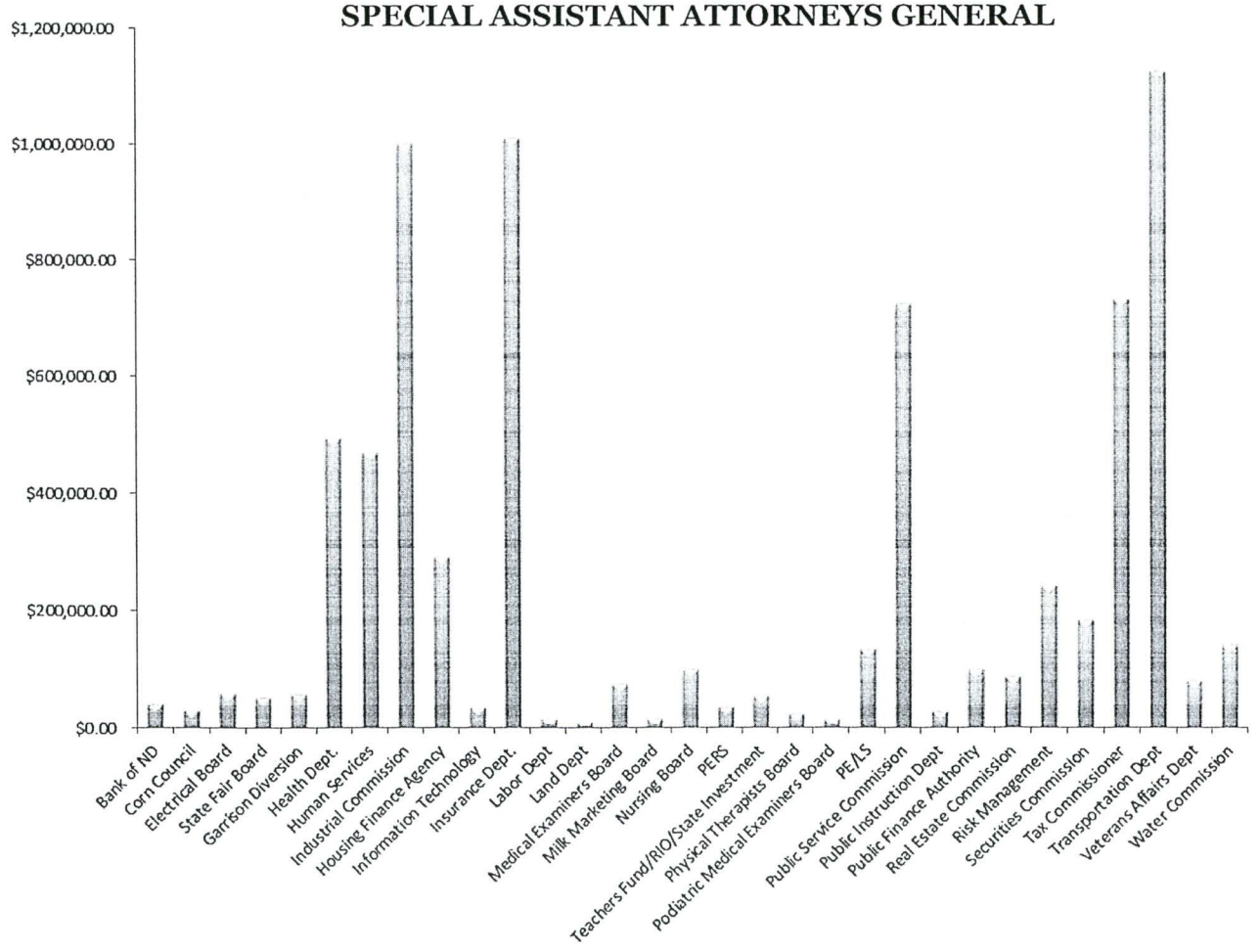
During the biennium, state agencies paid a total of **$16.83 Million** to these attorneys, including:

- Workforce Safety & Insurance —**$3.34 million** (up **25%** from $2.68 million last biennium); and
- University Systems—**$3.91 million** (up **38%** from the $2.83 million last biennium).

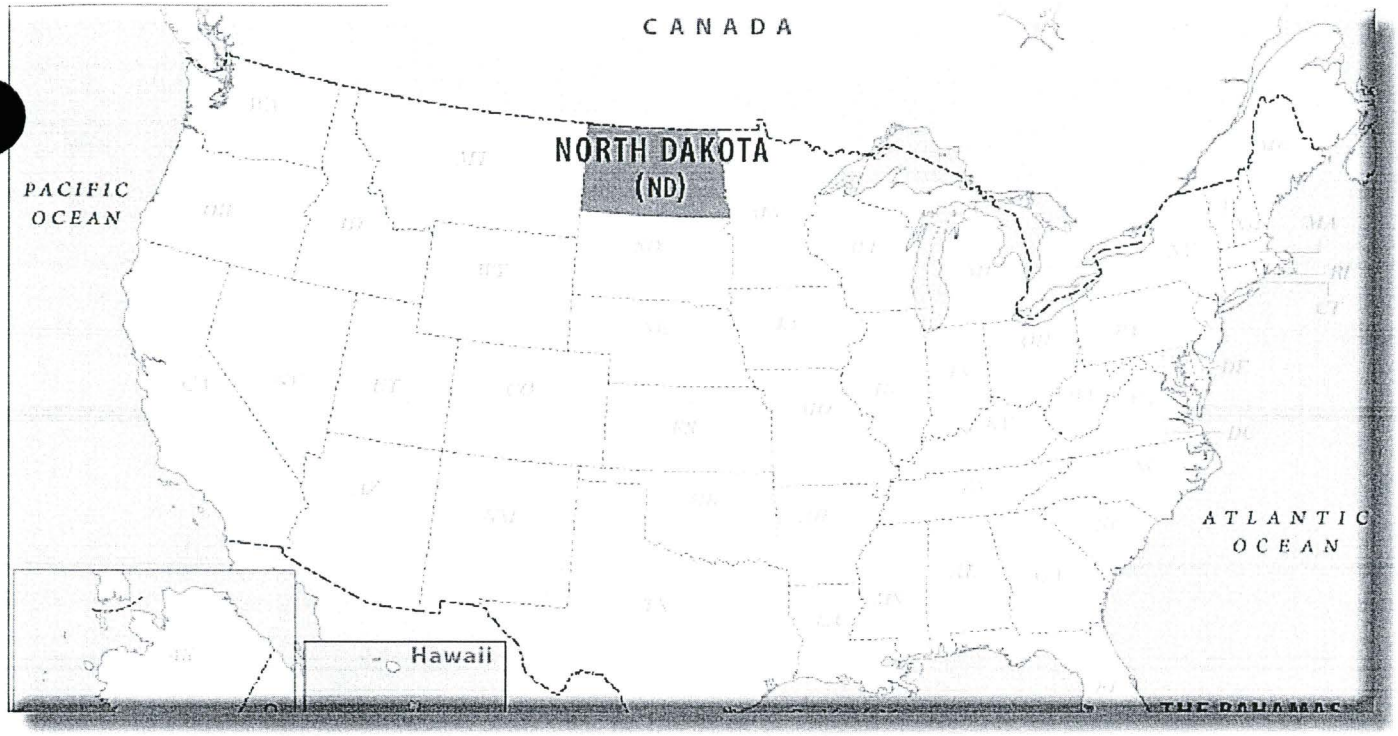
The 64th Legislative Assembly raised concerns about the increased costs incurred by the University System for legal services, both from attorneys employed within the University Systems and from the private attorneys under contract.

As a cost-saving measure, the Legislature transferred seven attorney positions from the North Dakota University Systems to the Office of Attorney General and required the positions to be filled competitively within the salary ranges authorized for the Office of Attorney General. The Legislature also directed the Attorney General to review the use of outside counsel by other state agencies. These legislative changes took effect after the reporting period. ◙

COSTS OF LEGAL SERVICES PROVIDED BY SPECIAL ASSISTANT ATTORNEYS GENERAL



This chart does not show ND University Systems or ND Workforce Safety & Insurance.
Agencies expending less than $10,000 in the biennium are also excluded.



REPRESENTING THE STATE

GENERAL COUNSEL

The **State & Local Government** division provides general counsel legal services to almost **70** state agencies, boards and commissions, drafts Attorney General opinions, reviews all administrative rules adopted by state agencies and boards, and assists agencies and members of the Legislative Assembly by drafting bills and amendments, and explaining the ramifications of proposed legislation.

Open Records and Meetings

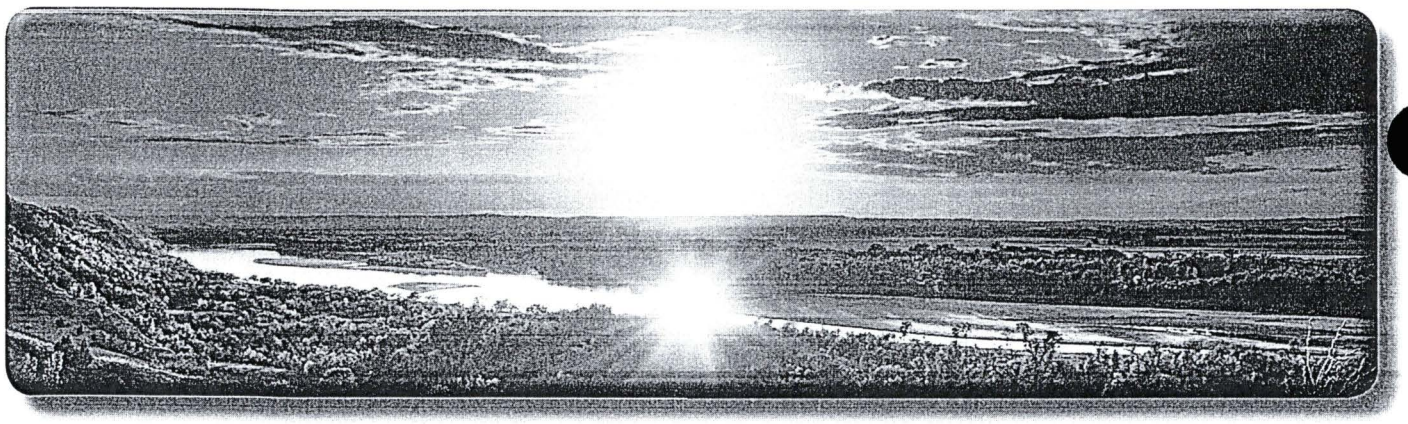
The division handled a large number of telephone calls from public entities and citizens regarding open records and meetings requirements. Responding by telephone eliminated many potential violations or opinion requests. The agency issued **44** opinions addressing alleged violations of the open records or open meetings, including:

- **NDSU RESEARCH PARK VENTURES LLC IS A PUBLIC ENTITY** (2013-O-19) – The North Dakota State University Research Park Ventures, LLC, is a public entity because it performs governmental functions for the city of Fargo and is created by statute. The Research Park violated the law when it denied a request for its records.
- **DEVELOPMENT FOUNDATIONS SUBJECT TO OPEN RECORDS AND MEETINGS LAW** (2014-O-08) – The NDSU Development Foundation is a public entity subject to the open records law because it performs functions governmental functions on behalf of NDSU. The Foundation broke the law when it denied a request for records on incorrect legal grounds and when it delayed its response for months even after acknowledging that it had responsive records.
- **CITY COMMISSION MEETINGS** (2015-O-04) – Members of a city commission violated the law when they engaged in a series of small gatherings to discuss the termination of the then-Chief of Police and negotiate a severance package, again when they held a special meeting without providing proper notice, and when they held an improper executive session.

Legal Opinions

The State & Local Government division drafted **24** legal opinions on questions of law related to matters involving state statutes, the state Constitution, and issues having statewide significance, including:

- **UNEMPLOYMENT BENEFITS FOR LOCKED-OUT WORKERS** (2013-L-07) An individual cannot receive unemployment benefits if the unemployment is due to a lockout, unless the individual meets both of the exceptions listed in statute.
- **DUTIES OF THE COUNTY STATE'S ATTORNEY** (2014-L-08) The county state's attorney is required to represent a county social services board concerning foster care case management and concerning the general duties of a county social service board.
- **HEALTH PLAN REQUIREMENTS UNDER FEDERAL AND STATE LAWS** (2014-L-12) The Sanford Health and Blue Cross Blue Shield "metallic" health plans' age-based restrictions may not satisfy federal and state law and may render the plans ineligible for "grandfathered" status under the Affordable Care Act.
- **AUTHORITY OF INDUSTRIAL COMMISSION OVER ABANDONED OIL AND GAS WELLS** (2015-L-03) The Industrial Commission has authority to enter into a contract to plug, replug, or reclaim a well site and may use its discretion to assert its authority. The Commission also has administrative rules that address plugging, reclamation and recourse of the landowner in the event the surface owner is not satisfied with the plug or reclamation. ◙



PROTECTING OUR NATURAL RESOURCES

North Dakota's natural resources are vital to the state's economy and to its citizens' lifestyle and well-being. The Attorney General, as a member of boards and commissions that oversee natural resources, plays an important role in the wise use of these resources. In addition, the Attorney General and the **Natural Resources division** provide legal advice to the state's agencies that oversee these natural resources.

As a member of the Board of University and School Lands, the Attorney General helps manage approximately 706,819 acres of school trust land, 1.8 million acres of trust minerals and $3.6 billion of financial assets. Income generated from these permanent resources supports the state's schools.

The **Natural Resources division** assists the State Engineer in regulating dams, dikes, drains, and the appropriation of water; the Industrial Commission in regulating the exploration and development of mineral resources; the Health Department in protecting our environment; the Game & Fish Department in managing wildlife and wildlife habitat; the Water Commission in developing water resources; and the Parks & Recreation Department in managing public recreation areas.

The division also administers the state's anti-corporate farming law and advises state and local officials on Indian law issues.

ENVIRONMENTAL LITIGATION

The **Natural Resources division** attorneys are involved in numerous lawsuits challenging federal overreach on environmental regulation, including:

Sulfur Dioxide (SO2) Emissions

In recent years, the Environmental Protection Agency (EPA) and environmental groups have engaged in a process known as "sue and settle," in which an environmental group sues the EPA on an issue affecting the states and within a very short time (days or weeks) a consent decree is finalized - without any input from the affected states.

In September 2013, the Natural Resources division took the lead on behalf of six states to challenge a consent decree entered into between the EPA and two environmental groups, setting SO2 emission standards for the states. Fourteen additional states filed an amicus brief supporting the North Dakota led group. In March, 2015, the US District Court approved the consent decree over the states' objections. The states appealed the decision to the th Circuit Court of Appeals. The appeal is pending.

Air Quality Standards

Last biennium, the division's attorneys joined more than 20 states to challenge the EPA's rule-making process relating to hazardous air pollutant standards for power plants.

The EPA's new rule would have forced power plants to make cost-prohibitive changes even if the plants were already in compliance with existing EPA standards. The states petitioned to the DC Circuit court of appeals but in April 2014, the petition was denied.

The US Supreme Court granted the state's petition for cert in November 2014. On June 29, 2015, the US Supreme Court issued a decision in favor of North Dakota and the other states, deciding that the EPA unreasonably interpreted the statute when it deemed cost irrelevant.

WATER

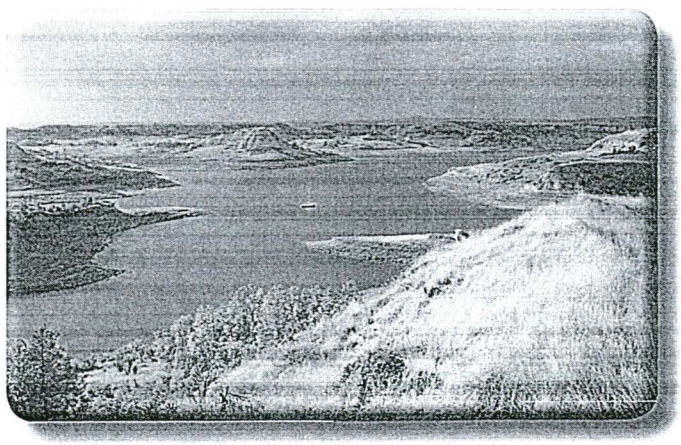
During the biennium, the Natural Resources division assisted the State Engineer in mediating two construction-related claims on the Southwest Pipeline project, issuing an administrative order regarding dam safety and obtaining **14 administrative consent agreements** for water permit violations, amounting to **$665,028.05 in civil penalties.**

Waters of the United States

In April 2014, the EPA & the Army Corps of Engineers proposed a rule redefining "waters of the United States" for purposes of the Clean Water Act, expanding federal jurisdiction over which water bodies in the state require federal permits. Of specific concern to North Dakota is the inclusion of Prairie Potholes.

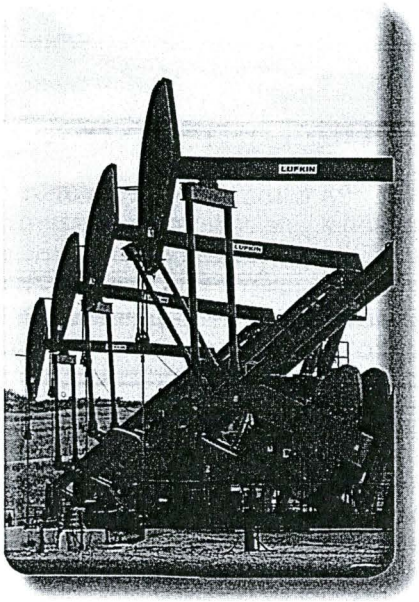
Under the proposed rule, a landowner wishing to conduct any work in the newly defined federal waters, including draining such water, must apply for a federal permit - a process that is both time consuming and expensive. Division attorneys assisted several state agencies in filing comments on the rule and Attorney General Stenehjem joined comments submitted by a group of attorneys general.

Despite the objections of numerous states and agricultural groups, the agencies finalized the rule and published it in Federal Register on June 29, 2015. On the same day, North Dakota and eleven other states filed a lawsuit in the US District Court to have the rule vacated and prevent the EPA and Corps from enforcing it. The case is pending.



Oil & Gas Development and Enforcement

As a member of the Industrial Commission, the Attorney General plays a key role in ensuring that the oil and gas industry complies with the law governing oil and gas exploration and recovery.



The division's assigned attorney presided over almost **4,400 oil and gas administrative hearings** and assisted the Industrial Commission's Department of Minerals Resources pursue **26 civil administrative** cases for violations of the Commission's rules, order, and regulations.

Through those complaints, **$438,604.36** has been collected in penalties. As of the end of the biennium, six cases are still pending and in another four cases, the division is obtaining judgments for unpaid penalties.

Hydraulic Fracturing (Fracking)

In April 2015, North Dakota and numerous other states filed complaints against the federal Bureau of Land Management in Wyoming Federal District Court, seeking to prevent the BLM's new "fracking" rule from coming into effect.

The states are challenging the BLM's authority to impose federal regulations on hydraulic fracturing practices not only because those regulations interfere with the state's existing comprehensive oil and gas development rules and environmental protection standards, but also because the EPA has already delegated authority to the states to monitor and protect underground water sources. The case is pending.

Environmental Protection

The division assisted the Health Department with its regulatory work involving air pollution control, asbestos removal, water pollution control, and solid waste and hazardous waste management, including:

- Enforcement action against the owner of a private wastewater treatment facility after a Health Department inspection uncovered an unauthorized discharge of wastewater into a tributary of the Missouri River from a broken pipe that been left unrepaired for several weeks, as well as several construction deficiencies.

  The division negotiated an agreement requiring the owner to pay a penalty of **$195,000,** of which $58,000 was suspended pending correction of the deficiencies and compliance with increased reporting requirements.

- Enforcement action against the owners of a natural gas plant for non-compliance with the state's air quality standards for sulfur dioxide. It was determined that the facility's pollution control equipment had malfunctioned. The owners immediately took action to correct the problem, installing upgrades to its pollution control equipment.

  The division negotiated a **$137,000 penalty** of which $47,000 was suspended pending completion of facility upgrades. The facility completed the corrective action and is in compliance with the state's SO2 air quality standards.

These efforts, and many others, resulted in the collection of over ***$2.25 million in penalties.***

Next Generation Energy Act Lawsuit

In November 2011, Attorney General Stenehjem and others sued the state of Minnesota over its Next Generation Energy Act (NGEA), which imposes restrictions on carbon dioxide emissions from the generation of electricity imported from outside Minnesota and consumed in Minnesota. The lawsuit alleged that the NGEA violates the Commerce Clause and the Supremacy Clause of the United States Constitution

In April 2014, a Minnesota federal district court **agreed with North Dakota** and ruled the Minnesota law unconstitutional, faulting the law as "overreaching" because it "requires out-of-state entities to seek regulatory approval in Minnesota before undertaking transactions in other states" and wrote that if the statute were allowed to stand, it could lead to "just the kind of competing and interlocking local economic regulation that the Commerce Clause was meant to preclude."

The State of Minnesota appealed the ruling. The hearing was scheduled for October 2015, before a three judge panel of the US 8th Circuit Court of Appeals. ◙

NEWS RELEASE

June 10, 2015

HEARING SCHEDULED ON STATE'S REQUEST TO BLOCK BLM RULE FROM TAKING EFFECT

BISMARCK, ND – Earlier this week, the state of North Dakota filed a request in federal District Court for a preliminary injunction against the Bureau of Land Management (BLM) to block the BLM Hydraulic Fracturing Rule from going into effect on June 24.

The United States District Court for the District of Wyoming has scheduled a hearing on June 23, 2015, to hear North Dakota's request and separate requests filed by Wyoming and Colorado. Attorney General Wayne Stenehjem will be attending the hearing.

"If the BLM rule is allowed to go into effect, the state of North Dakota could lose hundreds of millions of dollars in mineral royalties, and oil and gas development in the state will be disrupted and delayed," said Stenehjem.

North Dakota is asking the Court to temporarily prevent the BLM Rule from taking effect until the Court has an opportunity to review the challenge to the Rule filed by North Dakota, Wyoming and Colorado in April 2015. The states previously sent a letter to the Assistant Secretary of Interior asking the agency to delay implementation of the BLM Rule until the validity of the Rule could be adjudicated by the Court. The Department of Interior denied the States' request.

In the challenge filed in April, the states asked the federal district court to invalidate the BLM's regulations not only because those regulations interfere with the existing comprehensive state oil and gas development rules and environmental protection standards, but also because the federal government, through the Environmental Protection Agency, has already delegated authority to the states to monitor and protect underground water sources.

DEFENDING THE STATE'S RIGHTS

The **Civil Litigation division** represents state agencies, officials, and employees in legal actions, including administrative hearings, state court lawsuits, federal court lawsuits, and appeals. The attorneys handle cases ranging from challenges to the constitutionality of state laws to collection actions for various state agencies.

Division services

Division attorneys represent the Bank of North Dakota, the ND Department of Labor, the Department of Human Services, Department of Transportation, Job Service North Dakota, the state's Risk Management fund and the Department of Corrections & Rehabilitation and State Penitentiary.

The division recovered **$4.62 million** for the Bank of North Dakota from delinquent property and student loans and **$2.7 million** in unpaid employer tax contributions and benefit overpayments for Job Service North Dakota.

Wage Claims

On behalf of the Department of Labor, the division pursued wage claims against **238 employers** involving 423 employees, and collected over **$513,000** of unpaid wages from employers, including:

- The ND Supreme Court affirmed the June 2013 district court's judgment in favor of the Labor Commissioner for **$149,551** in unpaid wages, statutory penalties, and interest from a Wahpeton employer. The employer had paid $43,454 prior to the appeal and has since satisfied the judgment in full.

- In May, 2015, the division obtained a default judgment of **$86,716** on behalf of 20 former employees of a business in Harvey, ND.

The civil litigation division recovered **$7.82 Million** for ND state entities during the biennium.

LITIGATION

Same Sex Marriage

Two federal lawsuits challenged North Dakota's definition of marriage as a legal union between one man and one woman. The division had briefed the legal issues and the case was pending before the federal district court when the United States Supreme Court issued a decision holding couples of the same-sex may not be deprived the right to marry, making the federal lawsuits moot.

Commitment of Sexually Dangerous Individuals

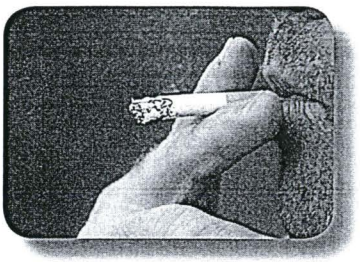
The division is defending a federal lawsuit challenging the constitutionality of the state law providing for continued civil commitment of individuals found to be **sexually dangerous individuals**.

The plaintiffs allege that their continued commitments are unconstitutional on various grounds, including that they are being unconstitutionally confined because they are not receiving effective treatment or treatment in the least restrictive manner available. The case will not go to trial until after the end of the biennium.

Abortion Control Act

Civil litigation attorneys continued the defense of a lawsuit challenging the constitutionality of 2011 House Bill 1297 (Abortion-Regulation, Reports & Drugs), which made several changes to the North Dakota Abortion Control Act relating to medicinal abortion techniques. Although the district court found the act unconstitutional, the ND Supreme Court issued a divided decision, which resulted in the Act being held **constitutional.**

Tobacco Master Settlement Agreement - Enforcement



The 1998 Master Settlement Agreement (MSA) required each settling state to pass a qualifying statute allowing the state to collect escrow payments from the Non Participating Manufacturers (NPMs).

Under the MSA, a settling state's annual settlement payment cannot be reduced by the NPM Adjustment so long as that settling state diligently enforced its qualifying statute. North Dakota's qualifying statute is N.D.C.C. ch. 51-25, Tobacco Sales Act.

In April 2006, several participating manufacturers withheld approximately $775 million from the Settling States (those participating in the MSA), claiming an offset for the 2003 NPM Adjustment. North Dakota's arbitration trial was held in October 2012 but it was not until September 2013 that the arbitration panel issued its decision.

The panel unanimously determined that during 2003 North Dakota diligently enforced its qualifying statute and thus was not subject to the 2003 NPM Adjustment **(saving the state up to $23 million)**.

The State is currently defending tobacco companies' allegations that North Dakota did not diligently enforce its qualifying statute during 2004. A hearing date has not yet been scheduled.

Through the end of the biennium, the state of North Dakota had received a total of **$463,976,235.90** in tobacco settlement payments. Of that amount **$64,618,710.75** was received during the 2013-2015 biennium.

Inmate Lawsuits

During the biennium the **Civil Litigation division** defended the state in a number of lawsuits filed by inmates against the ND Department of Corrections & Rehabilitation (DOCR) State Penitentiary.

These allegations ranged from accusations that DOCR employees were "deliberately indifferent" to prisoners' serious medical needs in violation of the Eighth Amendment (for refusing to prescribe medication for a pain relief, or not providing appropriate dental treatment, etc.), to complaints that DOCR employees fabricated contraband changes in retaliation for an inmate threatening to bring a lawsuit and that an inmate was transferred to another state in retaliation for his repeated grievances.

- Although some cases are still pending, in **every** case decided during the biennium, the **state prevailed.**

CRIMINAL PROSECUTIONS

The six attorneys within the Criminal & Regulatory division provide prosecutorial assistance to the 53 county state's attorneys upon request. In addition, the division handles prosecutions of child sexual abuse offenses.

Section 2254 Habeas Petitions

The **Criminal & Regulatory division** defended **22** habeas cases filed in the United States District Court by prisoners attempting to overturn their state court convictions and either get a new trial or be released from custody.

The prisoner's claims ranged from allegations of search and seizure violations and prosecutorial misconduct to discovery violations, discriminatory jury selection and jury bias.

In the cases decided during the biennium the federal court **denied all the prisoners' claims**. The Court of Appeals for the Eighth Circuit also issued decisions in three federal habeas cases, again upholding the judgment of the United States District Court.

Criminal Cases

During the biennium, the attorneys prosecuted numerous criminal cases, including:

- Allen Charles Thomas, who was convicted in August 2013 of arson and endangering by fire for setting fire to the Lone Steer Motel in Steele. The building was a total loss, but has since been replaced by a new motel. Thomas was sentenced to serve **46 years** for his crimes.

- Ryan Anderson, who was convicted of murder in August 2014 for stabbing his best friend four times at a man camp near Tioga in Williams County. Anderson was sentenced to **20 years** in prison.

- In September 2014, a Dunseith man was convicted by a jury in Rolette County District Court for the forcible rape of an adult woman. Lorry Van Chase was sentenced to serve **40 years** with 10 suspended. Trials in other charged cases against Van Chase were postponed pending the outcome of this case.

Drug Prosecutions

Two assistant attorneys general within the Criminal & Regulatory division are assigned to prosecute drug cases, and work closely with the state's Narcotics Task Forces and the United States Attorney's Office.

During the biennium, the attorneys, located in Bismarck and Minot, prosecuted **116** individuals for state and federal drug offenses.

SERVING CRIMINAL JUSTICE

CRIMINAL INVESTIGATIONS

The Bureau of Criminal Investigation (BCI) has 43 agents located in Bismarck and 12 field offices across the state. These agents provided assistance to federal, state and local law enforcement agencies on **773** drug investigations and **897** other criminal investigations during the biennium.

DRUG TRENDS

As the state's population increased in response to the oil boom the demand for drugs increased, and international drug trafficking organizations established operations in the state. The price of black market prescription narcotics has escalated in response to demand, and drug addicts have increasingly turned to heroin.

Once almost unseen in North Dakota, the narcotics task forces report that heroin seizures happen almost daily in eastern ND, and related overdoses are more frequent as well.

In 2012 there were 2,906 arrests for drug offenses. In 2014, there were 4,000 arrests - a **38% increase.**

- There were **90 arrests** for offenses involving **heroin** (possession, distribution) in 2014, up from 26 in 2013 and just 17 in 2012.

The task force investigations are becoming increasingly more dangerous and complex as the agents must track large groups of individuals and conspiracies that include local, regional, and international drug trafficking organizations (DTOs). The DTOs utilize money transfer businesses to move cash, exchange it for untraceable bitcoins, or barter drugs in exchange for vehicles or guns.

There also has been an increase in outlaw motorcycle gang activity and street gang activity relating to the distribution of controlled substances. These gangs take advantage of established drug routes to transport and distribute large quantities of product.

Because these investigations cross county and state jurisdictions, the task forces work with federal investigators and the cases are prosecuted by the US Attorney's office.

Bakken Strike Force

In June, 2015, Attorney General Stenehjem and acting US Attorney Chris Myers, announced the formation of the Bakken Strike Force. Working together, federal, state and local authorities have mobilized approximately fifty agents and four prosecutors in a concerted effort to attack organized crime.

The strike force is comprised of four task forces, each having allocated federal, state and local agents along with a coordinated state-federal prosecutor. The task forces are set up in Bismarck, Dickinson, Minot and Williston, and will coordinate their investigative efforts.

> "This effort will assure citizens that we will always protect our residents, and tells criminals that they do not want to do business in North Dakota."
>
> Attorney General Wayne Stenehjem

Law Enforcement Grants

The 2013 session of the North Dakota Legislature devoted additional resources to the Office of Attorney General, as well as appropriating **$16.6 million** in grants to local law enforcement to combat increase in crime related to the increase in oil activity, with priority given to address critical needs.

Among other things, these grants helped to provide nearly $5 million in equipment and supplies, $2.5 million in personnel (including 14 new officers), $164,000 in overtime, and $146,000 in housing.

NEWS RELEASE

March 14, 2014

TWENTY ARRESTED IN LAW ENFORCEMENT OPERATION IN NORTHWEST ND

BISMARCK, ND – A two-day operation in the McKenzie county area involving agents with the North Dakota Bureau of Criminal Investigation, together with federal and local law enforcement agencies resulted in the arrest of 20 individuals, announced Attorney General Wayne Stenehjem.

The operation was the result of a long-term undercover investigation by state, local and federal agencies, targeting organized drug rings and other illegal activity in northwest North Dakota.

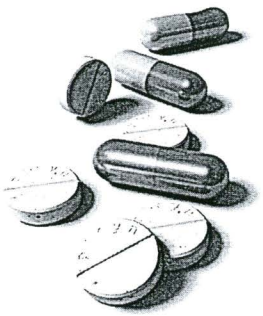
Approximately 50 traffic stops were made during the two-day operation. Agents seized quantities of drugs, drug paraphernalia, firearms and cash. Additionally, fourteen illegal aliens were detained and turned over to border patrol. Criminal charges against several of the arrested individuals are pending.

The operation, which ended Thursday night, involved the Watford City and Williston Police departments, McKenzie county and Williams county sheriffs' offices, BCI and the Metro Area and Northwest Narcotics Task Forces, ND Highway Patrol, the FBI, US Border Patrol and US Immigration and Customs Enforcement. This operation was conducted in addition to the search warrant served in the New Town area headed up by Federal authorities as announced by US Attorney Tim Purdon.

"Criminals need to know that law enforcement is dedicated to ridding the area of illegal activity and that these operations will continue on an on-going basis," Stenehjem said. "Citizens should be assured that our efforts will continue, focusing in particular on the illegal drug trade, human trafficking and the sex trade."

Prescription Drug Take Back Program

Since its launch in December 2009, the Attorney General's Take Back program has collected and destroyed more than **9,497 pounds – 4.7 TONS** – of unused and dangerous controlled drugs and other prescription medications. The Take Back program is available at 42 sites across 36 counties, providing services to more than 90% of the state's population.



HUMAN TRAFFICKING

In 2013, the Legislature authorized a dedicated Organized Crime Investigator for BCI, assigned to northwestern ND to address criminal activity relating to the oil boom. The BCI conducted several operations targeting individuals (Johns) who attempted to obtain children as young as 12 via the internet for sexual exploitation.

These operations resulted in dozens of arrests and convictions. These operations, and others, aided the BCI in identifying underage victims and adult women who were being trafficked, and identifying and prosecuting the traffickers (pimps), including a successful sting operation in March 2015:

- In that operation, two individuals were arrested for human trafficking and multiple "Johns" were arrested for solicitation of prostitution. Three women from the Milwaukee, WI area were connected to an ongoing federal human trafficking case and were associated with a large scale pimp/trafficker. Two of the women were also involved in a prostitution-related extortion of a male in Williston, involving approximately $65,000. The case is on-going.

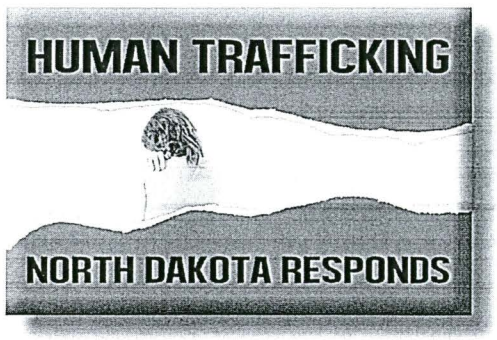
- Arrests for promoting prostitution (pimping) **doubled** from 2011 to 2013.

> "If you are a trafficker in the sex trade or a customer, we're **coming after you**. If you are a victim, caught in the grips of this horrible life, we will work with you to **help you** find a better life."
>
> Attorney General Wayne Stenehjem

Legislation

Recognizing that the state lacked services to assist victims of human trafficking, in 2015, Attorney General Stenehjem proposed a comprehensive package of bills that took a victim-centered approach.

The Legislature supported the Attorney General's proposals, providing many millions of dollars for victim protection and services, enhanced prosecution tools, and funding for training for law enforcement and state's attorneys.



The Legislature also authorized the creation of a state Human Trafficking Commission within the Office of Attorney General, tasked with developing a coordinated and comprehensive plan to provide victims with services, as well as collecting and evaluating data on human trafficking in North Dakota.

The legislation took effect after the end of the reporting period. ◙

Crime Statistics

Each year, the Office of Attorney General issues a comprehensive crime report, analyzing crime and arrest statistics reported by the local law enforcement agencies throughout the state.

In 2014, 105 police departments and sheriff's departments and the ND Highway Patrol reported incident data. North Dakota law enforcement agencies reported 30,406 arrests in 2014. A total of 31,107 arrests was reported in 2013.

> The state's crime rate of **5.5%** is one of the **lowest in the nation.**

Promoting prostitution is one of the crimes within the category "**Crimes against Society**," along with drug offenses, weapons violations and pornography. **Crimes Against Persons** (murder, rape, aggravated assault, simple assault) and **Crimes Against Property** (robbery, burglary, motor vehicle theft, shoplifting and stolen property offenses) are the two remaining categories for which detailed offense information is collected and reported (Group A offenses).

In 2014:

- Total Group A crime offenses increased by 6.8% from 2013. However, it is important to note that Crimes Against Property accounts for more that **55%** percent of the total Group A crime offenses.
- Motor vehicle thefts increased by more than 11%, from 1,309 in 2013, to **1,462 in 2014**.
- Violent crimes comprised just **9.8%** of the total index crimes reported.
- Aggravated assaults **decreased** by 1.4%, the first decrease for at least the past 10 calendar years.
- Although drug arrests have increased, the percentage of juveniles arrested for drug offenses has decreased from 16% in 2010 to 9.9% in 2014.

Crime Scene Vans

The BCI now has two Crime Scene Vans (CSV) which are deployed across the state to provide on-site assistance in processing crime scenes and for major case investigations.

The vans are adapted for use in North Dakota's extreme weather conditions and diverse terrain and are fully equipped with forensic supplies and specialized investigative equipment.

The CSVs were deployed to numerous crime scenes across the state, including:

- A suspected homicide scene near Killdeer. The investigation was during the middle of the night in the dead of winter, with very frigid and windy conditions. Conditions were so bad that agents' pens would not work unless they were inside the vehicle. The CSV's floodlights were also helpful in illuminating the outdoor scene. Investigators were able to determine that the death was an unfortunate accident.
- A double homicide investigation at a pig farm in Bottineau County in March 2015. The suspect was identified and charged with two counts of murder. The criminal cases are pending.

In addition, the crime scene vans were used during the investigations of five officer-involved shooting cases, in Fargo (2), Jamestown, Grand Forks, and Fort Totten.

Officer Involved Shooting Investigations

As organized crime and gangs have moved into the state, the local law enforcement agencies are facing increased dangers. Almost unheard of in North Dakota until just a few years, there have been several incidents in recent years where officers have had to discharge a firearm during a response.

The BCI assists the local law enforcement agencies by conducting an independent investigation of the officer's use of force. Once the BCI's investigation is complete, it is referred to the county state's attorney who determines whether the officer's actions were justified.

- During the biennium, the BCI conducted 12 officer involved shooting investigations.

BLUE ALERTS

On March 25, 2015, the state launched a **Blue Alert** system, similar to the Amber Alerts, to disseminate information to the public when there is a suspect at large who has threatened an officer with a deadly weapon, or caused an officer serious bodily injury or the officer's death, or if an officer has been abducted or is missing.

Criminal History Record Checks

Forty state agencies and professional licensing boards require or request an applicant to complete a criminal history record check prior to licensure. The BCI also conducts a criminal history record check on all applicants for a **Concealed Weapon license**, and for certain employees of the state's public schools, colleges and universities.

- During the biennium, the BCI conducted **84,789** state and federal record checks, a **12%** increase from the previous biennium.

Concealed Weapon Licenses

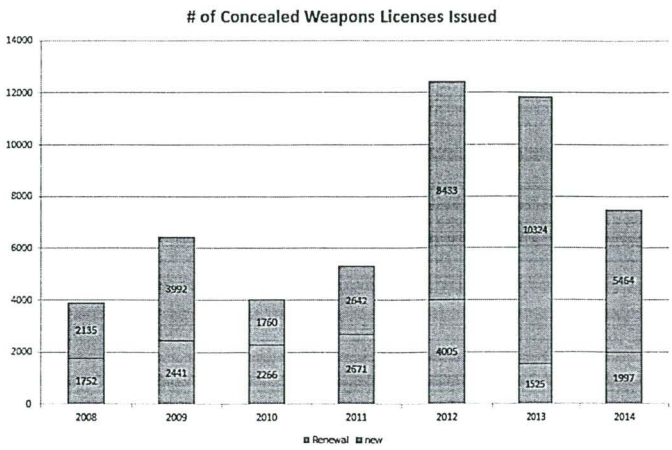
Changes made by the 2013 Legislature simplified the application process and also removed some disqualifying factors, making previously ineligible individuals able to apply for a concealed weapon license.

- The number of active concealed weapon licenses has increased from **25,857** in the 2011-2013 biennium to **38,341** this biennium.

Pending applications

Within a month of the changes taking effect in August 2013, applications were being submitted at a record-breaking pace, up to 350 a day. The sheer volume of applications gradually overwhelmed the concealed weapon license staff, even with the additional employees authorized by the Legislature. By the end of the calendar year, more than 14,700 applications had been received, and there was a significant delay in issuing licenses.

In response, Attorney General Stenehjem temporarily reassigned staff from other sections at BCI and authorized staff overtime. It took almost four months and many hundreds of hours of employee overtime, but by March 2014, the concealed weapon license section was back on track and the turnaround time for licenses was down to 35 days, well under the statutory time limit of 60 days.



IMPAIRED DRIVING

Drunk drivers killed 71 people in 2013.

DUI and "Refusal"

In an effort to reduce the number of alcohol-related driving offenses and fatalities, in 2013 the Legislature enacted House Bill 1302.

The bill increased the penalties for DUI, including increasing mandatory minimum fines and mandatory minimum jail sentences, and also made **refusal** to submit to a chemical test a separate offense with the same penalties as for DUI violations. The new laws took effect on July 1, 2013.

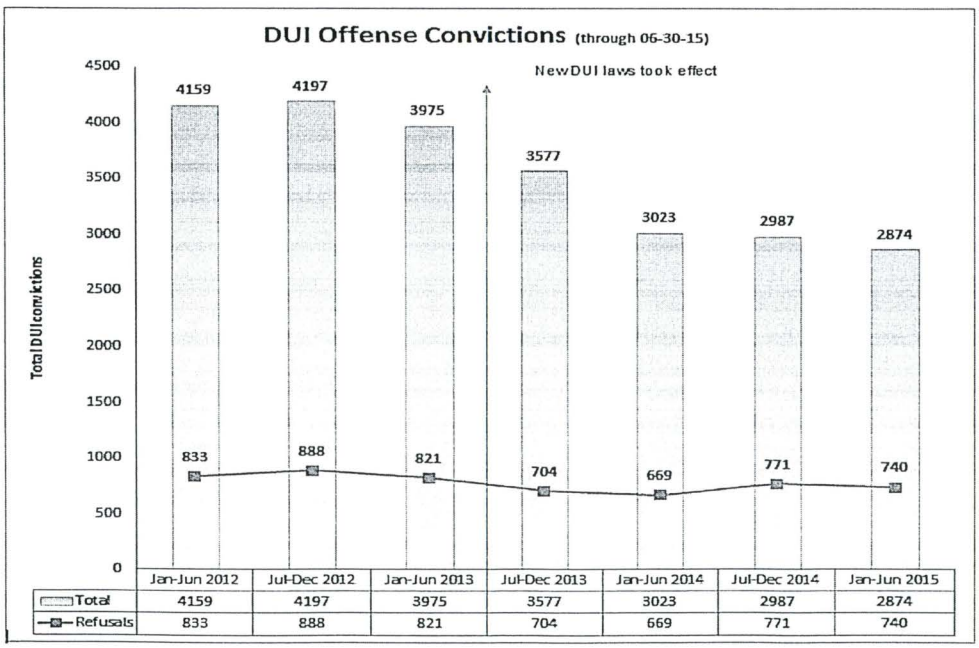
Many drivers arrested after the law took effect brought constitutional challenges to the refusal, claiming it violated their Fourth Amendment and Due Process rights.

The North Dakota Supreme Court has **unanimously upheld the constitutionality** of the criminal refusal provisions in every case that has been taken up to the court on appeal.

- In 2012, there were 7,382 arrests for DUI. In 2014, that had dropped to **6,705.**
- In 2012, 77 out of 147 crashes (**52**%) were alcohol-related; in **2014,** there were 121 crashes, of which 53 (**44**%) were alcohol-related.

Administrative hearings

During the biennium, attorneys from the Civil Litigation division represented the ND Department of Transportation in **382** district court cases and **38** ND Supreme Court appeals relating to implied consent and driver's licenses (DUI cases).



	Jan-Jun 2012	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015
Total	4159	4197	3975	3577	3023	2987	2874
Refusals	833	888	821	704	669	771	740

24/7 Sobriety Program

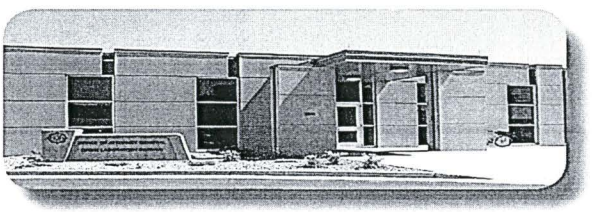
The 24/7 Sobriety Program has been operating statewide since 2010. Because it has proven effective, the Legislature has expanded the program every legislative session.

In addition to requiring repeat DUI offenders to participate as a pre-trial condition of bond, the courts can order participation in the 24/7 program for domestic violence offenders, drug offenders, juvenile offenders with alcohol-related offenses, and as a condition of sentence or probation. A participant who tests positive for alcohol (or drug) use faces immediate arrest pending a court hearing.

Of the **6,785** individuals who participated in the 24/7 Sobriety Program during the biennium, only **353** were terminated from the program – a **94% success rate.**

NORTH DAKOTA'S "CSI" – THE STATE CRIME LABORATORY

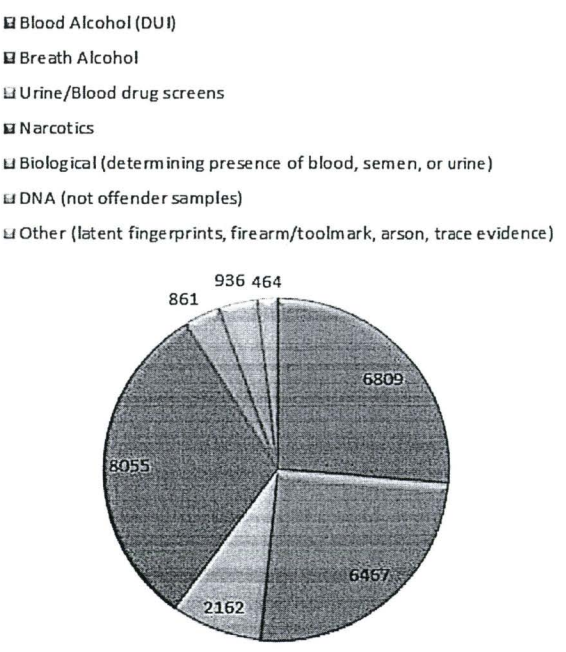
The state's **Crime Laboratory division** "provides scientific support to the state's criminal justice agencies through the analysis, identification and comparison of physical evidence used in the investigation and prosecution of criminal offenses."



The Lab's 21 forensic scientists processed over **26,239** cases during the biennium, a **29%** increase from the previous biennium (20,219 cases).

- **More than half the cases (15,438)** were routine blood alcohol or blood/urine drug screenings, obtained as a result of suspected **impaired driving** related offenses.

Crime Lab Caseload



Breath Alcohol Tests

The Toxicology Section at the **North Dakota Crime Laboratory** provided classroom training to 241 law enforcement officers in the use of evidentiary breath alcohol instruments (Intoxilyzer 8000) and 23 Field Inspectors were trained the Crime Laboratory. An additional 1,476 officers received online training.

Synthetic Drug Submissions

In 2012, the crime lab received **1,470** evidentiary submissions of synthetic drugs. As a result of proactive regulatory and legislative changes and aggressive enforcement and prosecution practices, arrests for possession and distribution of synthetic drugs have fallen dramatically.

- In 2014, the Crime Laboratory received **only 212 submissions** of synthetic drugs - **an 85% reduction.**

FORENSIC ANALYSIS

For many people, what they know about forensic analysis comes from popular television shows where every case has a piece of evidence with a perfectly preserved fingerprint or DNA belonging to an offender who is known to law enforcement, and the case can be wrapped up in an hour.

That is Hollywood fiction. The reality is much more complicated but the results are just as remarkable. For example:

NEWS RELEASE

OCTOBER 16, 2014

BCI AGENT AND FORENSIC SCIENTIST RECEIVE NATIONAL RECOGNITION

BISMARCK, ND – A BCI drug agent and a forensic scientist with the Attorney General's Crime Laboratory have received further national recognition for their roles in the multi-jurisdictional investigation "Operation Stolen Youth."

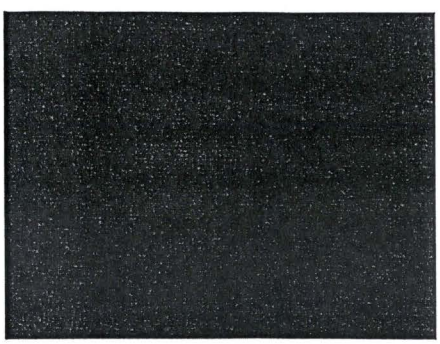
BCI Special Agent Steve Gilpin and Crime Laboratory Forensic Scientist Charlene Keller received notification of the honor earlier this week.

The US Department of Justice Organized Crime Drug Enforcement Task Forces (OCDETF) award recognizes the efforts of the state and federal investigation that shut down a nationwide synthetic drug trafficking ring and resulted in the successful prosecution of 15 individuals. It is the first time a North Dakota investigation has received this national award.

Looking Inside a Case File

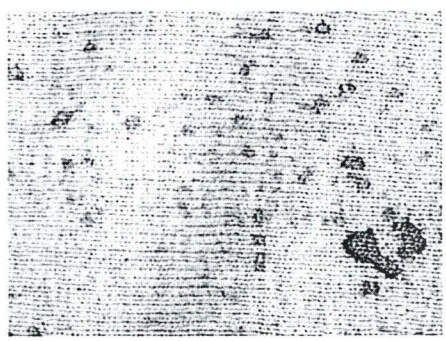
The Crime Laboratory received evidence from an aggravated assault (a felony) that occurred at the ND State Fair. The victim was attacked by a man wielding a knife. The suspect was found in the bathroom and was arrested. A knife was found in the bathroom's garbage can. The suspect denied having a knife but he had a cut on his hand. The victim received over 100 stitches.

The suspect's clothing and the knife were submitted to the crime lab along with the black shirt the victim had been wearing when he was attacked. The blood stains on the victim's black shirt were difficult to see with the naked eye, so forensic scientists used an alternate light source and infrared imaging to visualize the area to be tested. One of the red-brown stains tested positive for blood, so a swab was collected and analyzed for DNA.



Sample of black sweatshirt examined with naked eye

THE DNA MATCHED THE SUSPECT, WHO PLEAD GUILTY. CASE CLOSED.



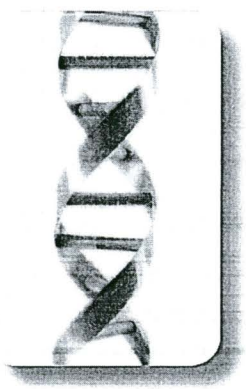
The same sample when examined with an alternate light source and infrared imaging

Scrap Metal Theft

As the price of copper and other metals soared, so did thefts of those metals from businesses. A string of high-value thefts occurred in late 2012, prompting legislative charges requiring dealers to keep written records of transactions involving scrap metals and a copy of the seller's photo identification.

Since the new regulations took effect on May 1, 2013, scrap metal theft has been almost eliminated.

- The BCI assisted on only **three** cases of scrap metal theft during the biennium. In one of those cases, the **Crime Laboratory** developed a **DNA profile** from a ski mask left behind at the scene of a theft of $100,000 worth of copper, and **the suspect was identified.**



Offender DNA Samples

Convicted sex offenders and individuals arrested for a felony offense are required to provide a DNA sample. The **Crime Laboratory** processed over 8,000 offender DNA samples for upload to the National DNA Index System (NDIS), which matched to 115 crime scene samples and produced investigative leads for law enforcement agencies to pursue, including:

- A 2005 sexual assault case involving an unknown suspect was **solved** almost a decade later, when the DNA from an individual arrested for a felony DUI matched DNA from evidence in the sexual assault case.
- A 2007 ND convicted offender was identified as the perpetrator of a 2014 **sexual assault** after a DNA profile was developed from swabs taken from the victim of that assault.
- Cigarette butts found in a stolen vehicle in Dickinson contained DNA that matched to a Washington state offender.
- An individual who forced a woman to perform oral sex at gunpoint was identified after semen from the crime scene matched the DNA of a prior felony arrestee;

Thanks to the efforts of the Crime Lab staff, repeat offenders are being identified and brought to justice.

The Crime Lab staff are not the only ones at work identifying sexual offenders. **Cybercrime agents with the BCI** use digital fingerprints to track and identify suspects.

INTERNET CRIMES AGAINST CHILDREN (ICAC)

The BCI has four trained computer forensic agents who provide forensic support to state and federal law enforcement agencies on a variety of criminal investigations, from homicides and financial crimes to child sexual abuse and internet child pornography.

The North Dakota **Internet Crimes Against Children (ICAC)** Task Force has 48 cooperating state and local law enforcement agencies and three federal and tribal partners. The ICAC cybercrime agents provide training for law enforcement on identifying and investigating internet crimes.

During the biennium, the BCI's cybercrime agents examined over **1,390 items** (from computers and cell phones to cameras and gaming consoles) containing a total of **205 Terabytes of data.**

1 terabyte of data is equivalent to approximately **85,900 pages** of word documents, 17,000 hours of music, or **500 hours of video.**

The state's ICAC task forces assisted with hundreds of child sexual abuse investigations, including:

- The investigation of a Wahpeton man after his roommate contacted local law enforcement to report having seen child pornography on the suspect's electronic media. On Nov 5, 2014, 22 year old Dustin Coleman pleaded guilty to **eight felony counts**, including extortion, in the state's first federal case of "sextortion." Coleman will serve **30 years in federal prison.** Coleman used intimidation or fear to gain sexual favors and coerce victims into making and sending him explicit images, allegedly telling one victim that he would rape her younger sister if she didn't send him nude photographs of herself.

- In June 2015, a Kenmare man was sentenced to serve **45 years in prison,** after he attempted sexual exploitation of a minor and was in possession of child pornography. Federal agents learned about the abuse after an **undercover detective** was in contact with the subject on a site known for incest and sexual exploitation of minors. A warrant search of his residence later turned up a laptop computer, personal computer, thumb drives and other devices that contained 793 pictures and 16 videos depicting child porn.

Upon release from incarceration, these individuals will be required to register as sex offenders.

SEX OFFENDER WEBSITE

Hundreds of times each day, parents, daycare providers, community organizations and concerned citizens visit the state's sex offender website (**sexoffender.nd.gov**) to find current address and other information about registered sex offenders who live and work in North Dakota.

- Increasingly, registered offenders are coming to North Dakota from other states, seeking work. During the biennium **83%** (437) of the 527 offenders registering for the first time in North Dakota were newly arrived here with convictions for a registered offense in another state.

Under the interstate compact, offenders who are under probation supervision must have permission to leave their current state before moving to North Dakota. That state's authorities notify the ND BCI. The offender must register with the local law enforcement agency within three days of arriving in North Dakota. The local law enforcement agency completes the registration documents and notifies BCI, and the offender's information is uploaded to the state's sex offender website.

North Dakota's Sex Offender Registry

Sex offender information on the website **sexoffender.nd.gov** is updated in real time, all day every work day, as changes are reported by the courts, Parole & Probation, the correctional facilities, the offenders, and the public.

Offenders with a lifetime requirement for registration and those who have been deemed a high risk are shown with full details and photographs on the High Risk page, while a printable list shows all offenders (including low and moderate risk) within a particular city or county, or for the entire state.

Tribal Sex Offender Registries

During the 2013-2015 biennium, each of the state's Native American tribes completed the federal process to establish a separate tribal registry independent of the state's registry. Registered offenders who live, work or attend school within the reservation's boundaries now register with the tribal registering agency.

As they are sovereign nations, each tribe defines the type and extent of information available on its offender website. The state's website includes links to these tribal websites. Prior to the tribes establishing their own registries, Native American offenders were listed on the state's registry.

Although the number of registered offenders in the state increased during the 2013-2015 biennium, as tribal registries went online and the tribe's registered offenders were removed from the state's registry, the number of registered offenders on the state's sex offender registry decreased to 1,858.

As of June 30, 2015, only ***29*** offenders were delinquent in their registration requirements or had absconded, which equates to a ***98.5%*** compliance rate.

Thirteen of the delinquent offenders are Native Americans who would otherwise appear on the tribe's registry but they cannot be removed from the state's registry until their current whereabouts are known.

Sex Offender Risk Assessments

The "risk" factor is assigned by a team of professionals consisting of representatives from the Office of Attorney General, Department of Corrections, and juvenile services.

The **Sex Offender Risk Assessment Committee** (SORAC) reviews each offender's criminal history, evaluations, and other pertinent documents in order to assign the individual either a low, moderate or high risk rating (for reoffending).

When offenders have convictions in other states, the SORAC obtains the offense and prior registration information. Risk assessments are conducted regularly and the website is updated continually to add new offenders.

Until the offender's information is reviewed and a risk level assigned, the offender is listed as "undetermined." However, as the scope and type of community notification is up to the registering local law enforcement agency, that department may decide to issue a community notification at any time after the offender registers, even before the SORAC assessment is completed.

- During the biennium, the SORAC conducted **730 assessments,** a **20% increase** from the previous biennium.

TECHNOLOGY SUPPORT

The **Information Technology (IT) division** provides technical installation and support for all the divisions of the office in 18 different locations across the state. The IT division also supports communications with law enforcement through the State Radio teletype system and the ND Criminal Justice Information Sharing (CJIS). The division staff are on call 24 hours a day, 7 days a week.

- The division responded to more than **7,000** service calls during the biennium.

FIRE MARSHAL

The Fire Marshal division is responsible for fire safety inspections and regulations, arson investigations, hazardous materials training, and fire prevention education. There are six deputy fire marshals, stationed in Bismarck and four field offices across the state.

Arson investigations

Deputy state fire marshals conducted **166** "fire origin & cause" investigations. **Forty fires (24%)** were determined to be **arson**.

FIRE SAFETY INSPECTIONS

To enhance the level of fire safety throughout the state, the Fire Marshal's office inspects public schools, childcare facilities, state buildings, fuel tanks storage sites, and licensed liquor establishments.

Division staff inspected **223** public schools, **168** fuel tank storage sites, **321** state buildings, **99** licensed day care facilities and **36** bars & restaurants.

Bar & Restaurant Inspections

The State Fire Marshal's office assumes the responsibility of conducting fire safety inspections at bars and restaurants in communities that are not able to provide a full-time fire inspector.

The deputy fire marshal determines the building's maximum occupancy rate, then follows a comprehensive checklist to ensure that the facilities are maintained to the highest level of safety.

Among other things, the inspector makes sure there are sufficient exits to allow safe evacuation, that the kitchen areas are properly vented outside, all fire and smoke alarm systems are working properly, the fire extinguishers are serviced on an annual basis and all emergency lights are fully operational.

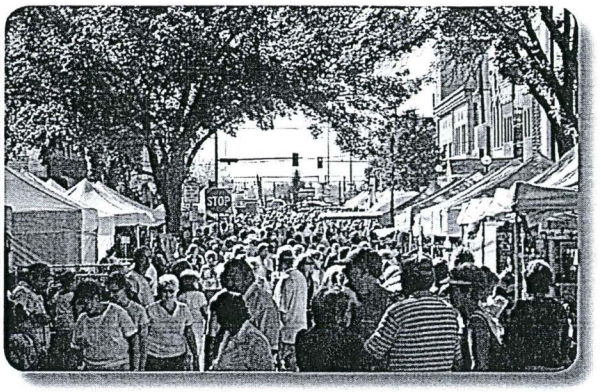
- There were **18** fire-related deaths during the biennium. **Two** of the deaths were a result of arson.

SAFETY TIPS

State Fire Marshal Ray Lambert recommends that homeowners install smoke alarms on every level of the home, inside every bedroom, and outside each sleeping area.

He offered the following fire safety tips to help homeowners:

- Test smoke alarms once a month, replace the batteries at least once a year, and replace the whole unit every 8-10 years. If an alarm with a non-replaceable battery begins to chirp, replace the entire alarm right away.
- Smoke alarms installed in the basement should be installed on the ceiling at the bottom of the stairs leading to the next level.
- Have a safety plan and review it with family members. Stay low to the ground and get out of the house as quickly as possible. Once you are out, **STAY OUT**. Do not go back inside for any reason.



SERVING THE PUBLIC

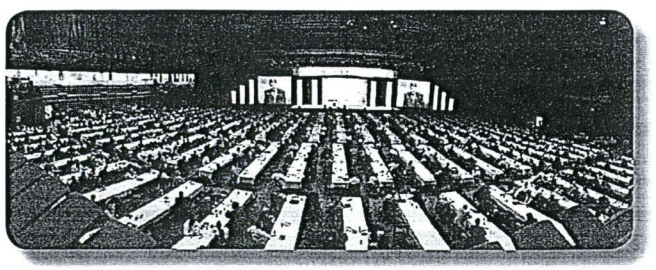
CONSUMER PROTECTION

The Consumer Protection division investigates and prosecutes consumer fraud cases and violations of the Do Not Call laws, mediates individual consumer complaints, and educates the public on how to avoid becoming victims of fraud.

- The division filed **257** civil actions against individuals and businesses for violating consumer fraud laws, resulting in **$3.18 million** in refunds to consumers.

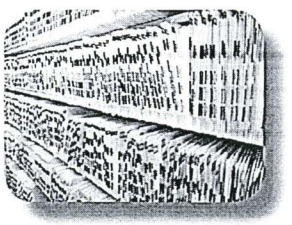
- The division collected an additional **$3.18 million** in civil penalties, investigative costs and to recoup attorney fees for a total of **$6.36 million.**

The **Consumer Protection division** held **49** community awareness events during the biennium.



CONSUMER COMPLAINTS

During the biennium, the division opened **2,565** complaint files – a **38%** increase over the previous biennium – and closed **2,590** complaints.



Almost three-quarters of the closed complaints (1,902) were satisfactorily resolved either through informal mediation or legal action. Another 44 complaints were referred to other state or federal agencies.

The remaining complaints were determined to be unfounded, or were closed because the business could not be located/was no longer in existence or the consumer chose to discontinue mediation.

TOP TEN COMPLAINTS

#1 - Telemarketing & Do Not Call - **314.**

- This category was #1 last biennium, with 234 complaints.

#2 - Identity Theft - **276.**

- Last biennium, there were 130 ID theft complaints. This category has moved from 3rd place to 2nd.

#3 - Contractor/Home Improvement - **271.**

- This was #2 last biennium, with 172 complaints.

#4 - Mail Order - **76.**

- Mail order was #7 last biennium, with 96 complaints.

#5 - Services (home security, credit card processing) - **70.**

- This category was not in the Top 10 last biennium.

#6 - Vehicle advertising, repairs, warranty problems - **56.**

- This category was #9, with 71 complaints.

#7 - Transient Merchants - **54.**

- Last biennium there were 102 complaints, the #4 category.

#8 - Telephone billing and services - **39.**

- Up from #10 last biennium (64 complaints)

#9 - Directories, phony business listings - **38.**

- Down from #5 last biennium (101 complaints).

#10 - Sweepstakes - **32.**

- This category was not in the Top 10 last biennium.

DATA SECURITY BREACHES

Recent data security breaches involving major retailers, financial institutions and global businesses have exposed millions of individuals to the risk of identity theft and scams. These companies were not required by law to report the breach to the Office of Attorney General.

In an effort to provide additional protections for the state's citizens, Attorney General Stenehjem submitted legislation to the 64th Legislative Assembly requiring any company that experiences a data breach involving data of a North Dakota customer to submit a detailed report to the Consumer Protection division. The bill passed, and took effect on August 1, 2015.

Identity Theft

The Consumer Protection division serves as the state's clearing house for identity theft complaints. The division assists victims with completing the identity theft affidavit and other forms the victims must file with the companies where the fraudulent accounts or debts were created.

- There were **276 reports of identity theft** received by the Consumer Protection division during the biennium - a **112% increase** over the previous biennium.

Tax ID theft is becoming more prevalent in North Dakota. The majority of victims reported that they first realized their identity had been stolen when the IRS rejected their tax return because a fraudulent return had already been filed under their name and social security number.

Under North Dakota law, a victim of identity theft can file a report of identity theft with the police or sheriff's office where they live, regardless of where the actual identity theft occurred.

Do Not Call Violations

The division received **230** complaints for solicitations to consumers registered on the DNC registry, of which 102 were illegal prerecorded messages.

The division conducted **31** investigations, many involving multiple entities, resulting in **35** settlements for which the division collected **$26,250 in civil penalties.** The remaining investigations were either settled informally or were still pending at the end of this reporting period.

"Although it may not be possible to stop the scam artists, it may be possible for the telephone companies to block the scam calls," said Stenehjem.

In September 2014, Attorney General Wayne Stenehjem joined 38 other Attorneys General in a letter urging the Federal Communications Commission (FCC) to allow telephone carriers to use existing technology to block these types of calls. To date, the FCC has not issued a decision.

PERVASIVE SCAMS - VICTIM STORIES

The Consumer Protection division issued numerous news releases, alerts, consumer advisories and public service announcements warning about scams. Three scams, in particular, were particularly pervasive throughout the biennium (and continue to be so after the end of the reporting period) and have claimed victims. These scams are:

The Grandparent Scam

This scam involving an imposter grandchild who is supposedly involved in a crisis situation and urgently needs cash.

A 50+ year old male from northwest ND was the victim of the Grandparent Scam. The victim received a call supposedly from his grandson, who said he had been involved in a serious car accident in Canada. The "grandson" said he needed money for legal fees associated with the accident. The victim and his wife were convinced they were talking to their grandson. The victim was directed to purchase Green Dot cards to pay for the alleged legal fees. The man went to several Kum & Go's in the area and purchased 20 Green Dot cards for $1,999 each.

Over the course of a week, the victim sent the scammers **$40,000.** The victim said the scammers requested an additional $100,000 to settle since the victim in the accident was paralyzed. The victim checked and discovered that his grandson had not been in a car accident in Canada - in fact, he had not even been in Canada - so the victim did not pay the additional $100,000.

None of the money he sent to the scammers could be recovered.

IRS Enforcement Scam

In this scam, phony IRS agents claim there is a problem with a previously filed tax return and threaten the victim with arrest unless the tax debt is paid immediately.

- A male from Southeast ND was a victim of the IRS Scam. The victim was led to believe that he was past due on 2005 tax returns and that federal agents would come to his work and arrest him if he didn't pay past due taxes immediately. The victim purchased 18 Green Dot debit cards, resulting in a loss of **$8,874. None of the money could be recovered.**

- Even after the Consumer Protection division issued several news releases about the scam, a male from central ND fell victim. He, too, was led to believe by the scam artists that he owed back taxes and would be arrested if he did not pay immediately. The victim purchased several Green Dot Money Pak cards, resulting in the loss of $9,500. **None of the money could be recovered.**

> "If a caller instructs you to buy a Green Dot money card or other type of instant cash card, or to wire money somewhere, then it's **a scam**. It's as simple as that. **It doesn't matter what reason they give you, it is always a scam, every single time.**"
>
> Attorney General Wayne Stenehjem

Foreign Lottery/Sweepstakes

While some scams involve phony or illegal foreign lotteries, others scams use the name of actual sweepstake companies or state lottery games, in an effort to convince the victim of their supposed good fortune.

- A middle aged male from rural North Dakota was the victim of three intertwined sweepstakes scams in 2014. The victim supposedly won the "Tri-State Lottery," ($7.5 million & a car) and the Publishers Clearing House ($5.5 million & a Mercedes Benz), and Mega Millions ($11.8 million). To make their efforts appear legitimate, the scammers even sent phony prize verification documents.

  The victim sent approximately **$200,000** – involving **73 financial transactions** – to pay "fees" to receive his alleged winnings. After the victim's family became concerned, local law enforcement and the consumer protection division provided assistance.

  Unfortunately, none of the victim's money could be recovered.

CEASE & DESIST ORDERS

The division issued cease and desist orders against **31** businesses, banning them from doing business in the state.

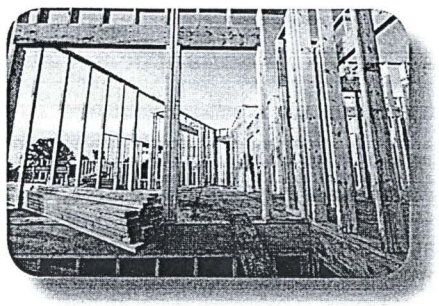
Almost all of the cease and desist orders were issued against unlicensed contractors who had taken money from homeowners and then either failed to complete the work for which they had been paid, or performed substandard work that had to be redone by a licensed contractor.

> "If you want the job done and done properly, then you have to do your homework first. At the very least, **before** you hand over any money you should make sure the contractor **is properly licensed.**"
>
> Attorney General Wayne Stenehjem

Contractor Licensing Requirements

Contractors must be licensed with the Secretary of State's office if they perform work valued at $4,000* or more, and must comply with state requirements for liability insurance and workforce safety insurance.

In addition, any contractor who is conducting temporary business within this state is required to obtain a Transient Merchant's License (issued by the Licensing section of the Attorney General's office).



* The previous $2,000 threshold was increased by the Legislature, effective April 15, 2015.

NEWS RELEASE

November 25, 2014

STENEHJEM BANS CONVICTED FELON FROM DOING BUSINESS IN THE STATE

BISMARCK, ND – Attorney General Wayne Stenehjem has issued a cease and desist order banning Chad Peda and Somer Hilleboe, doing business as CS Companies, Inc., of Horace, North Dakota, from conducting business in the state. Peda, who is a convicted felon, appears to have fled North Dakota.

The Consumer Protection division conducted an investigation after receiving a complaint from a consumer who had made an advance payment of $11,000 to Peda to demolish a garage and construct a new one. Peda never completed the work.

"Before paying any money to a contractor, check to make sure the contractor is legitimate and is properly licensed and bonded. It only takes a couple of minutes to check, but it could save you from losing both money and time," said Stenehjem.

The investigators found that neither Peda nor Hilleboe had ever been licensed as contractors in North Dakota. After being contacted by investigators, Peda made a partial refund to the consumer who had filed the complaint.

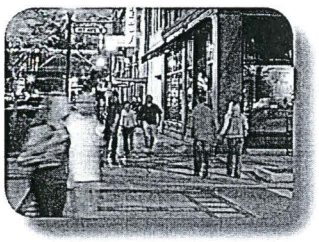
Court records show that Peda has previous convictions in Ransom and Benson counties for theft of property for soliciting and accepting advance payments for construction projects and then failing to complete the work. He owes over $130,000 in restitution on those criminal cases.

Parrell Grossman, director of the Consumer Protection Division, reminded consumers that contractors must be licensed with the Secretary of State's office if they perform work valued at $2,000* or more.

Consumers can check the Secretary of State's list of licensed contractors at http://www.nd.gov/sos/ or by calling (701) 328-2900.

Licensing

The Licensing section of the **Criminal & Regulatory division** issues licenses to **transient merchants,** alcoholic beverage retailers (bars, restaurants, liquor stores, etc.), wholesaler/retailer tobacco products dealers, coin operated amusement device operators ("crane" machines, pinball, etc.), fair boards, polygraph (lie detector) examiners, charitable gaming operators, gaming manufacturers and distributors, and wholesale fireworks distributors.



Licensees must meet eligibility requirements set by law. As part of the licensing process, the application is checked to ensure the business is registered with Secretary of State and has the required bonds, local licenses, safety inspections.

For alcohol licenses, each applicant must also successfully complete a criminal history record check (processed by the BCI). The license fees are set by statute and the cost depends on the type of license, population served and other factors.

Type of License	# Issued	Revenue Generated
Beer	3,453	$278,174
Liquor	3,251	$261,016
Cigarette	3,292	$52,168
Coin Operated	181	$66,250
Polygraph	42	$1,500
Fair Board	18	$900
Gaming/Distributor/ Manufacturer	1,210	$296,300
Wholesale fireworks	48	12,000
Transient Merchants	227	$45,400
TOTAL	**11,722**	**$1,013,708**

Over ***$1 million*** was transferred to the state's general fund in licensing fees.

The licenses are renewed each year; initial license application fees are prorated.

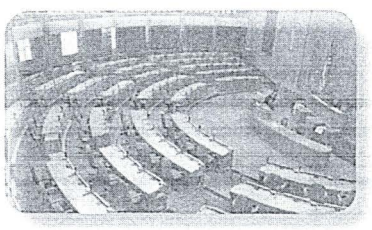
GAMING

Veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organizations located within North Dakota are eligible to apply for a state gaming license to raise money for charitable purposes.

Only licensed organizations may conduct "games of chance" (such as Bingo, Pull Tabs, Twenty-One and Poker). There are over three hundred licensed organizations operating **900** gaming sites across the state.

Revenue

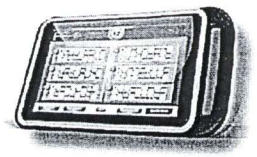
In 2013, the Legislature reduced the gaming tax rate for charitable organizations. As a result, although gaming revenues increased, the amount of funds generated to the state was **reduced**.



During the 2013-2015 biennium, the licensed gaming organizations grossed over **$571 million,** raising over **$43 million** for charitable uses (such as student scholarships, community crime prevention projects, financial and other assistance to injured and disabled veterans), and generating **$6.8** million in gaming taxes for the state's general fund (a 36% reduction from the previous biennium).

Quick Shot Bingo

In December 2014, Attorney General Wayne Stenehjem determined that electronic Quick Shot Bingo Card Marking Devices were "coin operated gaming devices," not permitted by law.



An electronic quick shot bingo game is played using 24 pre-selected letters and numbers on a maximum of 16 electronic bingo cards.

At the time, eight charitable organizations were using the devices in 18 sites. In just one financial quarter, those **eight** organizations reported combined adjusted gross earnings from Quick Shot Bingo of **$222,000**.

The 2015 Legislative Assembly passed House Bill 1235, which redefined Electronic Quick Shot Bingo as a bingo game type rather than a "coin-operated gaming device," and authorized its use by licensed organizations (when used in conjunction with a site operating system). Although the bill took effect after the end of the reporting period, four of the eight organizations that previously operated quick shot bingo indicated they would be resuming use of the devices.

Gaming Compliance

The Gaming division provides training to charitable organizations and enforces the charitable gaming laws. The division initiated **11** comprehensive field audits (involving unannounced on-site inspections), **16** in-office audits and **75** limited compliance audits, resulting in **63** administrative complaints.

The division collected **$34,000** in fines and referred **27** incidents of suspected criminal activity to local law enforcement, assisting local law enforcement with the investigations.

Tribal Gaming

The Gaming division also enforces the tribal-state gaming compacts, which authorize the state's Native American tribes to conduct gaming at casinos on tribal land. There are over 3,600 slot machines regulated under the compacts in North Dakota.

The three Gaming division regulators conduct random inspections at the state's five Indian casinos to ensure game integrity and compliance with wager limits and prize payout ratios.

NORTH DAKOTA LOTTERY

The Lottery conducts five multi-state games: PowerBall®, Hot Lotto®, Wild Card 2®, 2BY2® and Mega Millions®. The mix of games provides jackpots starting from $22,000 to $40 million.

Tenth Anniversary

The North Dakota Lottery celebrated its 10th Anniversary in March 2014 by rolling out a new logo and holding customer appreciation wheel spins at lottery retailer locations.

IMAGINE THE POSSIBILITIES

The Lottery generated total operating revenue of **$54.23 million** and net proceeds of **$14.32 million,** down slightly from last biennium. Ticket sales were slower than projected in part because there were fewer big jackpot runs for Powerball and Mega Millions.

Four hundred and fifty businesses across the state now sell North Dakota lottery tickets. These 450 gas stations, convenience stores, grocery stores and other locations earned an impressive **$2,718,032** in **sales commissions and bonuses.**

Lottery Generates Record Payouts

The North Dakota Lottery paid out a record **$28 million** in prizes this biennium, including a **$2 million Powerball** jackpot ticket and **two Wild Card 2 jackpot** tickets together worth over $1 million.

Since the Lottery began, ND players have won more than ***$89.4 million.***

New Lottery Game

The Lottery had hoped to join a new multi-state online game, the Monopoly Millionaires' Club Lottery Game. The Multi-State Lottery Association (MSCL) launched the game in several states in October 2014 and projected a February 2015 launch in North Dakota.

The game would have guaranteed multiple million dollar prizes each drawing and given players in each state a chance to become a contestant on the game's companion TV show. Unfortunately, games sales were consistently below projections and in December 2014, **MSCL suspended the game.**

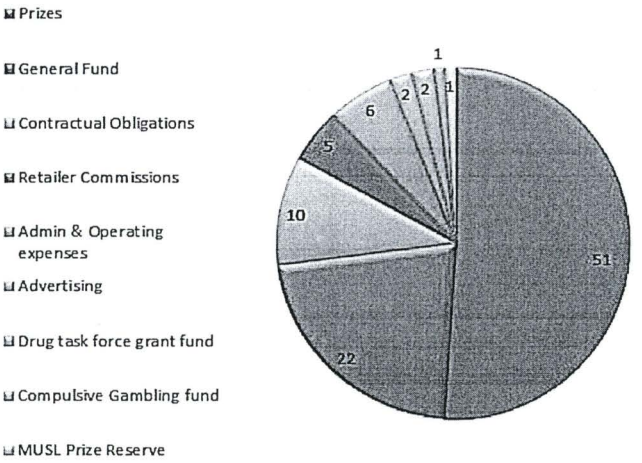
The North Dakota Lottery continues to work with MSCL to explore new game options.

Players Club

During the biennium, the Lottery launched its **Players Club**. Lottery players can enter webcodes from their lottery tickets to earn points that can be used for special members-only drawings and to purchase prizes from the Points for Prizes Store.

Lottery Ticket Sales

More than half of every $1 ticket (51¢) is paid out in prize money. State law determines how lottery proceeds are spent. Only 6¢ goes to administration and operating expenses:



Lottery Proceeds

The Lottery transferred **$13.3 million** to the state general fund, **$845,000** to the multi-jurisdictional drug task force grant fund, and **$400,000** to the compulsive gambling prevention and treatment fund.

The state's nine regional narcotics task forces coordinate multi-jurisdictional responses to drug-related activity. The grant awards are based on calendar year. During the biennium, more than **$916,600** was awarded to the task forces to offset rent, equipment, travel, fuel and other costs associated with the undercover operations.

INFORMING THE PUBLIC

QUICK FACTS

- Agents with the ND BCI assisted local law enforcement agencies in **1,670** drug and criminal investigations.
- The Criminal & Regulatory division prosecuted **116** individuals for drug offenses
- The Consumer Protection division filed 257 civil actions, resulting in **$3.18 million** in refunds to consumers.
- The North Dakota Lottery transferred **$13.3 million** to the state general fund.
- Of the 166 fire investigations conducted by the Fire Marshal's division, **24%** were determined to be arson.
- The Civil Litigation division recovered more than **$7.82 million** for ND state entities during the biennium.
- The Natural Resources Division collected more than **$2.25** million in penalties from companies violating the state's environmental protection laws.
- The Crime Laboratory processed **26,239** cases during the biennium, a 29% increase from the previous biennium.
- Over **$1 million** was transferred to the state's general fund in licensing fees.
- The State & Local division issued **44** opinions on open record and meeting violations and **24** legal opinions.

LifeSmarts
Learn it. Live it.

The **Consumer Protection division** continued its participation in the National Consumer League's **"LifeSmarts"** educational program that tests teens on their consumer knowledge in a fun way.

Students participate in online preliminary rounds to advance to the state final event. The state final, hosted by the Attorney General's office, is a game-show style competition with elimination rounds.

Jamestown High School won the competition in both 2014 and 2015, and went on to represent the state in the national competition.

PUBLIC INFORMATION

In addition to responding to thousands of telephone calls, emails and letters covering everything from requests for agency records to referrals to other government agencies, the administration division continued its efforts to provide the public with useful information regarding the Office of Attorney General and state government in general.

The office posts news releases and consumer alerts to its website, **www.ag.nd.gov,** and makes available numerous publications, reports, fact sheets, forms and manuals.

Fact Sheets & Publications

Asphalt Paving Scams

Choosing a Contractor

Collection Calls

Common Business Scams

Do Not Call

Eminent Domain - Landowner Rights

Fair Credit Reporting Act

Fair Debt Collections Practices Act

Foreign Lotteries

Gaming Update Newsletter

Grandparent Scam

I Want to File a Complaint

Identity Theft

IRS Enforcement Scam

Lottery Links Newsletter

Network Marketing/Pyramid Schemes

Online Auctions

Open Records and Meetings Guide

Open Records and Meetings Summary

Phishing Scams

Phony Yellow Pages Billing

Privacy and Safety Tips for Parents

Satellite and Cable Programming

Sex Offender Information

Small Claims Court in North Dakota

Smart Shopping Tips

Spoofed Telephone Numbers

Sweepstakes/Display Booths

Teens and Sex

Tenant Rights

Under the Microscope Newsletter

Victim of Tax Fraud

Work-at-Home Schemes

Reports and Manuals

Acquisition and Disposal of Property and Services (Bidding Manual)

Administrative Rules Manual

Biennial Reports, Office of Attorney General

Comprehensive Status and Trends 2014

Concealed Weapon Manual

Contract Drafting Manual

Crime & Homicide Reports

Domestic Violence Fatality Review Commission Annual Report

Extradition Manual

Law Reports

Open Records and Meetings Manual

Website

Attorney General Opinions

Breath Alcohol training for law enforcement

Concealed Weapon License application and information

Do Not Call Complaints

Drug Take Back Program

Security Freeze & Identity Theft

Sex Offender Registry (**sexoffender.nd.gov**)

Photos used with permission from the North Dakota Department of Commerce, North Dakota Tourism Division, ND Department of Corrections & Rehabilitation, ND Highway Patrol, Bismarck Convention & Visitor's Bureau.

Office of Attorney General
600 E. Boulevard Avenue
Dept. 125
Bismarck ND 58505
(701) 328-2210
(701) 328-2226 (fax)
E-Mail: ndag@nd.gov
Website: www.ag.nd.gov

Consumer Protection
1050 E. Interstate Ave Ste 200
Bismarck ND 58503
(701) 328-3404
Toll Free (800) 472-2600

Bureau of Criminal Investigation
PO Box 1054
Bismarck ND 58502
(701) 328-5500
Tip Hotline (800) 472-2185

Gaming Division
17th Floor, Capitol Building
(701) 328-4848

Licensing Section
17th Floor, Capitol Building
(701) 328-2329

Fire Marshal
250 N 31st Street Ste 7
Bismarck, ND 58501
(701) 328-5555

North Dakota Lottery
1050 E. Interstate Ave Ste 200
Bismarck ND 58503
(701) 328-1574
E-Mail: ndlottery@nd.gov
Website: www.lottery.nd.gov

January 13, 2017 HB1003/HB1063 Attachment A

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

JAN - 6 2017

Administrator
Washington, DC 20201

The Honorable Jack Dalrymple
Governor of North Dakota
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Governor Dalrymple:

Thank you for your letter dated September 12, 2016, in which you requested that the State of North Dakota be granted a new waiver from the requirement that it operate a Medicaid Fraud Control Unit (MFCU). Along with your letter, you enclosed several documents in support of the state's waiver request, including those that address fraud and abuse efforts in its managed care program; expenditure summaries; corrective actions taken related to various state and federal program integrity reviews; and state abuse and neglect processes.

As you are aware, section 1902(a)(61) of the Social Security Act outlines two criteria, which must co-exist, under which a state may be granted a waiver from the requirement to operate a MFCU. To qualify for a waiver, a state must demonstrate to the satisfaction of the Department of Health and Human Services' (HHS) Secretary: (1) that the effective operation of a MFCU would not be cost-effective because minimal fraud exists in connection with the provision of covered services to eligible individuals under the state plan, and (2) that beneficiaries under the plan are protected from abuse and neglect in connection with the provision of services under the plan without the existence of a MFCU. The Centers for Medicare & Medicaid Services (CMS) has carefully reviewed the information you provided and determined that the state's waiver request does not meet these criteria.

We appreciate the analysis outlined in your letter of MFCUs in similar sized states that had years in which operational costs exceeded their recoveries. However, we do not believe that this observation is indicative of a MFCU's cost-effectiveness. Monetary recoveries are only one factor in measuring the success and impact of an effective MFCU. MFCUs primarily conduct criminal prosecutions that result in criminal indictments and convictions, in addition to the recovery of criminal restitution. MFCUs' deterrent value, and the sentinel effect of their successful criminal and civil cases, cannot be measured in dollars. This is especially so for prosecutions of patient abuse or neglect that occur in North Dakota health facilities, which typically do not involve a Medicaid overpayment and result in criminal outcomes with no monetary recovery.

Moreover, in reviewing the recovery information in similar states, while in a single year MFCU operational costs may exceed recoveries when analyzing MFCUs over a longer period of time, such as a 3-year period (2013-2015), recoveries in similar sized states often exceeded the operational costs of operating a MFCU. Wyoming, for example, recovered roughly $3.1 million and expended $1.4 million, and South Dakota recovered roughly $7 million and expended $1.2 million. While Montana had a negative return on investment for this time period, during the prior 3-year period (2010-2012), Montana had recoveries of $3.2 million and expenditures of

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January 13, 2017 HB1003 / HB1063 Attachment B

OFFICE OF ATTORNEY GENERAL INFORMATION FOR GOVERNMENT OPERATIONS SECTION, HOUSE APPROPRIATIONS

COST OF THE 6 CRIMINAL INVESTIGATORS REDUCED IN THE GOVERNOR'S BUDGET	970,593
DAKOTA ACCESS PIPELINE EXPENSES THROUGH NOVEMBER 30, 2016	72,668

January 13, 2017 HB1003 / HB1063 attachment 8

CRIMINAL HISTORY RECORD CHECKS PAID AND THOSE FOR WHICH NO FEE IS CHARGED

	Fed Check	ND Check	Full Fee	Reduced Fee
Aging Services	Yes	Yes	Yes	
Agriculture Department	Yes	Yes	Yes	
Adoption	Yes	Yes	Yes	
Bank of North Dakota	Yes	Yes	Yes	
DHS-Early Childhood Services	Yes	Yes	No	$10 FBI Fee, no federal fee
Chiropractic Examiners Board	Yes	Yes	Yes	
Counselor Examiners Board	Yes	Yes	Yes	
Courts Administration	Yes	Yes	Yes	
Dental Examiners Board	Yes	Yes	Yes	
Department of Financial Institutions	Yes	Yes	Yes	
Department of Public Instruction	Yes	Yes	Yes	
Department of Transportation	Yes	Yes	Yes	
Education Standards and Practices Boarc	Yes	Yes	Yes	
Fargo Fire Department	Yes	Yes	Yes	
Foster Care	Yes	Yes	Yes	
Health Department	Yes	Yes	Yes	
Housing	Yes	Yes	Yes	
ND Insurance Department	Yes	Yes	Yes	
ND Parks & Rec	Yes	Yes	Yes	
Information Technology Department	Yes	Yes	Yes	
Job Service	Yes	Yes	Yes	
Legal Guardian	Yes	Yes	Yes	
Marriage and Family Therapy	Yes	Yes	Yes	
Massage Board	Yes	Yes	Yes	
Medical Board	Yes	Yes	Yes	
Medical Imaging & Radiation Therapy	Yes	Yes	Yes	
Nursing Board	Yes	Yes	Yes	
Nursing Home Administrators Board	Yes	Yes	Yes	
OMB	Yes	Yes	Yes	
Peace Officer Training	Yes	Yes	Yes	
PERS	Yes	Yes	Yes	
Pharmacy Board	Yes	Yes	Yes	
PISB	Yes	Yes	Yes	
Racing Commission	Yes	Yes	Yes	
Real Estate Appraiser Board	Yes	Yes	Yes	
Real Estate Commission	Yes	Yes	Yes	
Respiratory Care Board	Yes	Yes	Yes	
Retirement and Investment Office	Yes	Yes	Yes	
Schools	Yes	Yes	Yes	
Social Work Board	Yes	Yes	Yes	
Tax Commissioner's Office	Yes	Yes	Yes	
Colleges and Universities	Yes	Yes	Yes	
Workforce Safety and Insurance	Yes	Yes	Yes	
Public Record Checks				
Nonprofit Agencies	No	Yes	No	$5
All General Public	No	Yes	ND Only	$15
Record Check Fees Not Paid				
Law Enforcement Applicants(no fee)	Yes	Yes	No	$0
Criminal Justice Information Sharing	Yes	No	No	$0
Reduced Record Check Fees				
DHS Licensed Child Placing Agency	Yes	Yes	No	$10 FBI Fee, no federal fee
DHS Human Resources	Yes	Yes	No	$10 FBI Fee, no federal fee

Record Check Fee Amounts		
State only	$ 15.00	
Federal processing	$ 15.00	SCHOOLS
FBI - Fingerprint based	$ 10.00	
State/ Federal/FBI	$ 38.75	
FBI volunteer	$ 8.75	STATE ONLY
Federal/FBI only volunteer	$ 23.75	
Non profits	$ 5.00	

A FEDERAL CHECK ALWAYS INCLUDES AN FBI FINGERPRINT BASED CHECK.

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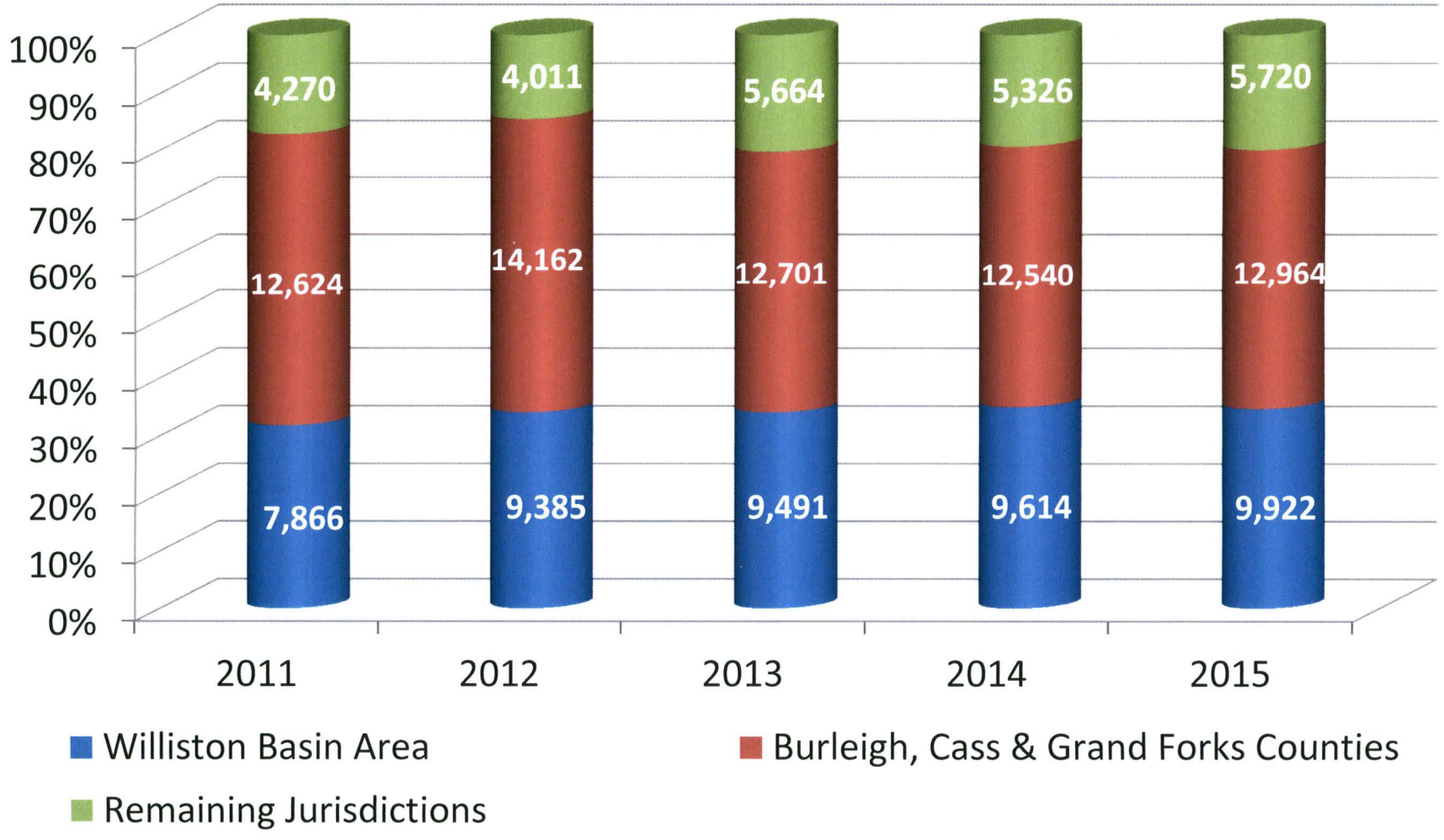
January 23, 2017 HB1003/HB1063 attachment a

North Dakota Pre- Oil Boom, Oil Boom and Post-Oil Boom Arrests



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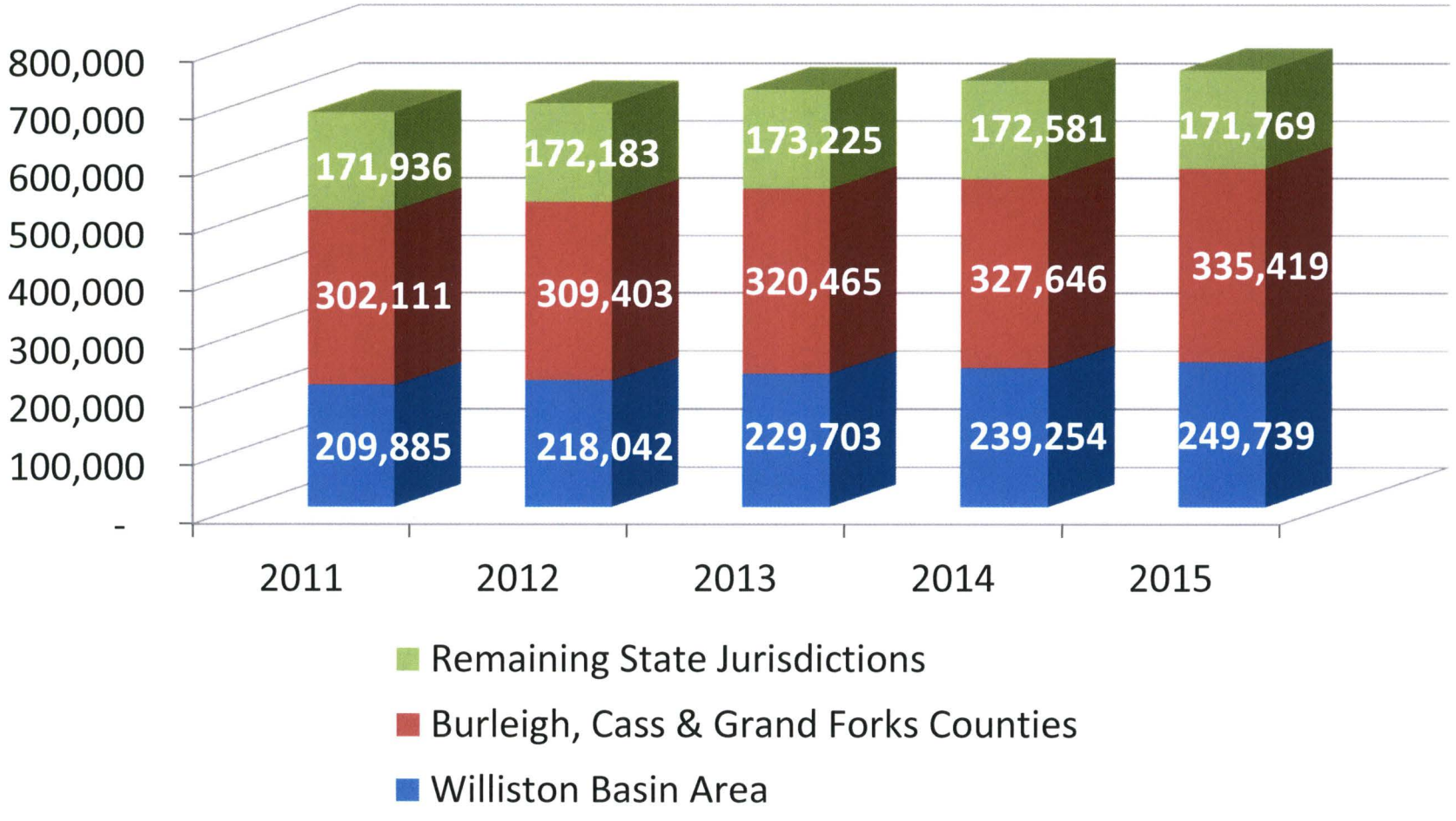
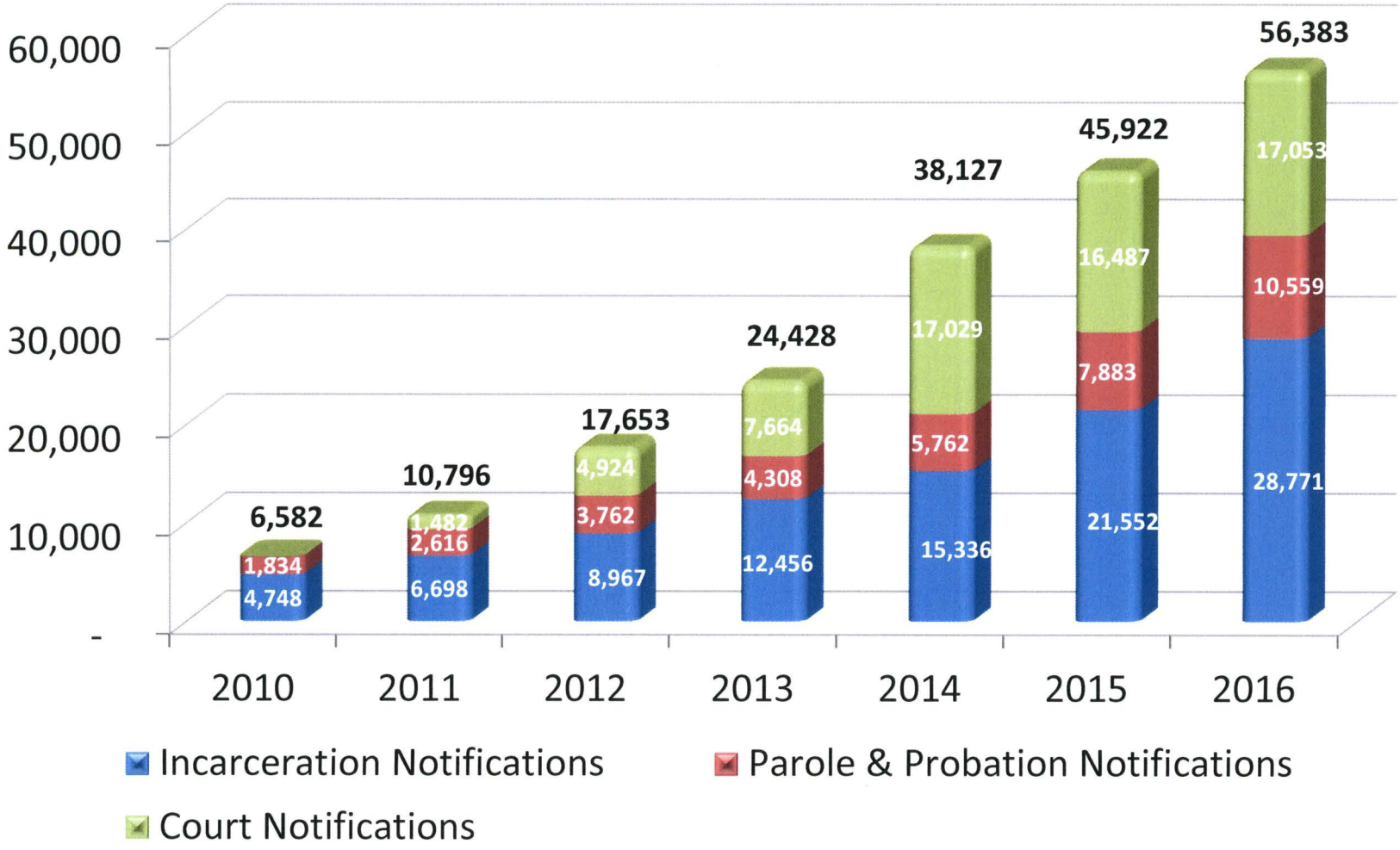
January 23, 201 HB1003/HB1063 Attachment B

North Dakota Pre- Oil Boom, Oil Boom and Post Oil Boom Population



January 23, 2017 HB1003/HB1063 attachment C

ND SAVIN Notifications from 2010 Through 2016



January 23, 2017 HB1003 / HB1063 attachment D

LAW ENFORCEMENT LINE ITEM REDUCTIONS FROM THE 2015-17 BIENNIUM

1 ADMINISTRATIVE ASSISTANT REMOVED

SALARIES & WAGES	
PERMANENT SALARIES	(146,969)
OTHER SALARIES	(3,596)
TEMPORARY SALARIES	(9,000)
OVERTIME	67,052
FRINGE BENEFITS	(62,466)
TOTAL SALARIES & WAGES	**(154,979)**
OPERATING EXPENSES	
TRAVEL	(54,540)
IT SOFTWARE/SUPPLIES	(3,266)
PROFESSIONAL SUPPLIES	(7,560)
FOOD & CLOTHING	(5,040)
BUILDING/GROUNDS MAINTENANCE	(7,560)
MISCELLEANOUS SUPPLIES	(7,560)
OFFICE SUPPLIES	(7,560)
POSTAGE	(5,670)
IT EQUIPMENT UNDER $5,000	(9,559)
OFFICE EQUIPMENT UNDER $5,000	(34,650)
INSURANCE	(10,878)
LEASE/RENT BUILDINGS	(213,065)
REPAIRS	(17,325)
IT DATA PROCESSING	(7,200)
IT COMMUNICATIONS	(13,230)
PROFESSIONAL DEVELOPMENT	(25,000)
OPERATING FEES & SERVICES	(221,146)
TOTAL OPERATING EXPENSES	**(650,809)**
CAPITAL ASSETS	
MOTOR VEHICLES	(240,162)
TOTAL CAPITAL ASSETS	**(240,162)**
TOTAL LAW ENFORCEMENT LINE REDUCTIONS	**(1,045,950)**

COST OF THE 6 CRIMINAL INVESTIGATORS REDUCED IN THE GOVERNOR'S BUDGET **(970,593)** 1

January 23, 2017 HB1003 / HB1063 attachment 5

COMPARISON OF OFFICE OF ATTORNEY GENERAL MODIFIED OPTIONAL ADJUSTMENTS AND LEGISLATIVE COUNCIL "GREEN SHEET"

LEGISLATIVE COUNCIL	OFFICE OF ATTORNEY GENERAL
2. REMOVES 16 POSITIONS	2. THE OFFICE REMOVED 4 POSITIONS TO MEET THE 10% GENERAL FUND REDUCTION. THE EXECUTIVE BUDGET REMOVED 12 MORE POSITIONS.
3. CHANGES FUNDING SOURCE OF 2 POSITIONS	3. THE OFFICE REQUESTED GENERALTO FEDERAL FUNDS SOURCE CHANGES FOR 2 POSITIONS .
4. REMOVES BUDGETED 24/7 SOBRIETY MONEYS	4. THE OFFICE REQUESTED REMOVAL OF $6,375,572 24/7 SOBRIETY APPROPRIATION DUE TO THE 24/7 FUNDING BEING A CONTINUING APPROPRIATION.
5. ADJUSTS FUNDING FOR OPERATING EXPENSES	5. OPERATING EXPENSE OTHER FUNDS REDUCTIONS RESULTED PRIMARILY FROM IT PROJECTS COMPLETED.
6. REDUCES CJIS FUNDING BY $480, 223.	6. CJIS OTHER FUNDS TOTALING $291,482 WERE REMOVED DUE TO NO LONGER BEING NEEDED. THE $188,741 GENERAL FUND REDUCTION IS DUE TO THE 10% GENERAL FUND BUDGET REDUCTIONS REQUIRED.
7. REDUCES FUNDING FOR LAW ENFORCEMENT	7. THE $219,348 GENERAL FUND REDUCTION IN THE LAW ENFORCEMENT LINE ITEM IS DUE TO THE 10% GENERAL FUND BUDGET REDUCTION.
8 INCREASES FEDERAL FUND SPENDING AUTHORITY	8. THE OFFICE MAY RECEIVE FEDERAL FUNDING FOR COMBATTING HERION USAGE IN NORTH DAKOTA.
9. ADDS FUNDING FOR IT DISASTER RECOVERY SYSTEM	9. IN ITS BASE BUDGET THE OFFICE PRIORITIZED THE IT DISASTER RECOVERY SYSTEM. THIS INCLUDES $46,703 IN OPERATING AND $83,450 IN EQUIPMENT. THE OFFICE DOESN'T CURRENTLY HAVE A DISASTER RECOVERY SYSTEM WHICH IS CRUCIAL SINCE A NUMBER OF THE OFFICE'S IT SYSTEMS ARE USED BY OTHER STATE AND LOCAL AGENCIES.
10. REMOVES FUNDING FOR ABORTION LITIGATION FEES OF $400,000 ($100,000 TRANFERRED TO OPERATING EXPENSES AND $100,000 TRANSFERRED TO LIGITATION FEES	10. THE EMERGENCY COMMISSION REQUESTED THE OFFICE PRIORITIZE FUNDING FOR PROSECUTION WITNESS FEES AND LITIGATION FEES SO $200,000 OF THE $400,000 WAS BUDGETED FOR THIS PURPOSE. THE ADDITIONAL $200,000 FROM THE GENERAL FUND WAS PART OF THE 10% GENERAL FUND REDUCTION.
11. INCREASES FUNDING FOR INDIAN GAMING AUDIT EXPENSES	11. THE OFFICE REQUESTED $37,500 IN OTHER FUNDS FOR TRAVEL AND OTHER INDIAN GAMING AUDIT EXPENSES.
12. ADDS FUNDING FOR EQUIPMENT	12. GENERAL FUND EQUIPMENT WAS REMOVED AND FEDERAL FUNDS EQUIPMENT WAS ADDED
13. INCREASES FUNDING FOR THE STATE CRIME LABORATORY BUILDING BOND PAYMENTS	13. AS PROVIDED BY THE INDUSTRIAL COMMISSION THE CRIME LAB BUILDING BOND PAYMENT INCREASES BY $529.

January 23, 2017 HB1003 / HB1063 Attachment 7

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-711 Lottery

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	49,384	851,209	852,492	1,283	0%	1,203,518	352,309	29%	0%
513000 - Temporary Salaries	1,932	23,519	31,238	7,718	25%	44,100	20,581	47%	18%
516000 - Fringe Benefits	20,222	346,080	358,038	11,957	3%	505,465	159,385	32%	2%
Total 510000 - Salaries and Benefits	**71,538**	**1,220,808**	**1,241,767**	**20,959**	**2%**	**1,753,083**	**532,275**	**30%**	**1%**
521000 - Travel	5,533	43,625	92,083	48,458	53%	130,000	86,375	66%	37%
531000 - Supplies - IT Software		1,180	14,167	12,987	92%	20,000	18,820	94%	65%
532000 - Supply/Material - Professional			1,417	1,417	100%	2,000	2,000	100%	71%
533000 - Food and Clothing		383	354	(28)	-8%	500	118	24%	-6%
534000 - Bldg, Grounds, Vehicle Supply	14	34	708	674	95%	1,000	966	97%	67%
535000 - Miscellaneous Supplies		557	3,542	2,984	84%	5,000	4,443	89%	60%
536000 - Office Supplies	1,059	9,077	14,167	5,090	36%	20,000	10,923	55%	25%
541000 - Postage	1	4,936	67,292	62,355	93%	95,000	90,064	95%	66%
542000 - Printing	459	9,405	67,292	57,887	86%	95,000	85,595	90%	61%
551000 - IT Equipment under $5,000		1,630	6,375	4,745	74%	9,000	7,370	82%	53%
552000 - Other Equipment under $5,000		470	1,417	946	67%	2,000	1,530	76%	47%
553000 - Office Equip & Furniture-Under			2,125	2,125	100%	3,000	3,000	100%	71%
571000 - Insurance	274	826	1,417	590	42%	2,000	1,174	59%	30%
581000 - Rentals/Leases-Equipment&Other		74	708	634	89%	1,000	926	93%	63%
582000 - Rentals/Leases - Bldg/Land		78,228	88,542	10,313	12%	125,000	46,772	37%	8%
591000 - Repairs		1,953	2,833	881	31%	4,000	2,047	51%	22%
601000 - IT - Data Processing	2,043	32,603	31,875	(728)	-2%	45,000	12,397	28%	-2%
602000 - IT - Communications	518	8,487	17,708	9,221	52%	25,000	16,513	66%	37%
603000 - IT Contractual Services and Re	588	56,640	63,042	6,402	10%	89,000	32,360	36%	7%
611000 - Professional Development		33,118	31,875	(1,243)	-4%	45,000	11,882	26%	-3%
621000 - Operating Fees and Services	28,692	1,104,926	1,849,596	744,671	40%	2,611,195	1,506,269	58%	29%
623000 - Professional Fees and Services	257	8,867	141,667	132,799	94%	200,000	191,133	96%	66%
Total 520000 - Operating Expenses	**39,438**	**1,397,020**	**2,500,201**	**1,103,181**	**44%**	**3,529,695**	**2,132,675**	**60%**	**31%**
Total Expenditures	**110,977**	**2,617,829**	**3,741,968**	**1,124,139**	**30%**	**5,282,778**	**2,664,949**	**50%**	**21%**
Expenditures by Source									
Total Special Funds	110,977	2,617,829	3,741,968	1,124,139	30%	5,282,778	2,664,949	50%	
Total Expenditures by Source	**110,977**	**2,617,829**	**3,741,968**	**1,124,139**	**30%**	**5,282,778**	**2,664,949**	**50%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-600-62 FM - Firefighter Prevention

	Biennium to Date			Actual vs BTD Percent		Total Budget	Percent Budget	Percent Remaining - Biennium
	Actuals	Budget	(Over) / Under	(Over)/Under	Total Budget	Remaining	Remaining	Remaining
Expenditures								
521000 - Travel		7,083	7,083	100%	10,000.00	10,000	100%	71%
536000 - Office Supplies		708	708	100%	1,000.00	1,000	100%	71%
541000 - Postage		1,417	1,417	100%	2,000.00	2,000	100%	71%
542000 - Printing		3,542	3,542	100%	5,000.00	5,000	100%	71%
602000 - IT - Communications		10,625	10,625	100%	15,000.00	15,000	100%	71%
623000 - Professional Fees and Services		12,042	12,042	100%	17,000.00	17,000	100%	71%
Total 520000 - Operating Expenses		**35,417**	**35,417**	**100%**	**50,000.00**	**50,000**	**100%**	**71%**
Total Expenditures		**35,417**	**35,417**	**100%**	**50,000.00**	**50,000**	**100%**	**71%**
Expenditures by Source								
Total Special Funds		35,417	35,417	100%	50,000.00	50,000	100%	
Total Expenditures by Source		**35,417**	**35,417**	**100%**	**50,000.00**	**50,000**	**100%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-600-61 FM - Fire Safer Tobacco

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent		10,661	12,113	1,452	12%	17,100	6,439	38%	8%
516000 - Fringe Benefits		4,490	5,100	610	12%	7,200	2,710	38%	8%
Total 510000 - Salaries and Benefits		**15,151**	**17,213**	**2,061**	**12%**	**24,300**	**9,149**	**38%**	**8%**
521000 - Travel	2,514	27,193	56,773	29,580	52%	80,150	52,957	66%	37%
532000 - Supply/Material - Professional		4,175	5,667	1,491	26%	8,000	3,825	48%	19%
534000 - Bldg, Grounds, Vehicle Supply		85	708	623	88%	1,000	915	92%	62%
536000 - Office Supplies	290	1,436	1,417	(19)	-1%	2,000	564	28%	-1%
541000 - Postage	27	857	6,375	5,518	87%	9,000	8,143	90%	61%
542000 - Printing	35	117	7,083	6,967	98%	10,000	9,883	99%	70%
552000 - Other Equipment under $5,000		15,648	11,758	(3,890)	-33%	16,600	952	6%	-23%
582000 - Rentals/Leases - Bldg/Land			19,005	19,005	100%	26,830	26,830	100%	71%
591000 - Repairs		586	9,891	9,305	94%	13,964	13,378	96%	67%
602000 - IT - Communications	1,331	12,137	13,600	1,463	11%	19,200	7,063	37%	8%
611000 - Professional Development	(75)	2,075	2,833	758	27%	4,000	1,925	48%	19%
623000 - Professional Fees and Services	144	1,466	46,326	44,860	97%	65,401	63,935	98%	69%
Total 520000 - Operating Expenses	**4,267**	**65,776**	**181,436**	**115,660**	**64%**	**256,145**	**190,369**	**74%**	**45%**
Total Expenditures	**4,267**	**80,927**	**198,648**	**117,722**	**59%**	**280,445**	**199,518**	**71%**	**42%**
Expenditures by Source									
Total Special Funds	4,267	80,927	198,648	117,722	59%	280,445	199,518	71%	
Total Expenditures by Source	**4,267**	**80,927**	**198,648**	**117,722**	**59%**	**280,445**	**199,518**	**71%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-600-60 Fire Marshal - State

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	39,284	686,557	722,300	35,744	5%	1,019,718	333,161	33%	4%
512000 - Salaries - Other	250	8,500	17,000	8,500	50%	24,000	15,500	65%	35%
513000 - Temporary Salaries	1,069	18,071	19,550	1,479	8%	27,600	9,529	35%	5%
514000 - Overtime		45	71	26	36%	100	55	55%	26%
516000 - Fringe Benefits	15,900	279,166	304,146	24,980	8%	429,383	150,217	35%	6%
Total 510000 - Salaries and Benefits	**56,503**	**992,339**	**1,063,067**	**70,728**	**7%**	**1,500,801**	**508,462**	**34%**	**5%**
521000 - Travel	1,414	44,835	45,935	1,100	2%	64,850	20,015	31%	2%
532000 - Supply/Material - Professional		141	3,896	3,755	96%	5,500	5,359	97%	68%
533000 - Food and Clothing	9	103	1,842	1,739	94%	2,600	2,497	96%	67%
534000 - Bldg, Grounds, Vehicle Supply	25	302	2,479	2,177	88%	3,500	3,198	91%	62%
535000 - Miscellaneous Supplies		268	708	440	62%	1,000	732	73%	44%
536000 - Office Supplies		607	3,188	2,581	81%	4,500	3,893	87%	57%
541000 - Postage		1,128	3,542	2,413	68%	5,000	3,872	77%	48%
542000 - Printing		589	2,125	1,537	72%	3,000	2,412	80%	51%
552000 - Other Equipment under $5,000		713	1,063	350	33%	1,500	787	52%	23%
553000 - Office Equip & Furniture-Under	135	135	708	573	81%	1,000	865	86%	57%
571000 - Insurance	415	1,148	1,417	268	19%	2,000	852	43%	13%
581000 - Rentals/Leases-Equipment&Other			35	35	100%	50	50	100%	71%
582000 - Rentals/Leases - Bldg/Land	292	68,417	75,608	7,192	10%	106,741	38,324	36%	7%
591000 - Repairs		1,536	1,088	(448)	-41%	1,536	0	0%	-29%
602000 - IT - Communications		765	1,417	652	46%	2,000	1,235	62%	33%
611000 - Professional Development		2,875	4,958	2,083	42%	7,000	4,125	59%	30%
621000 - Operating Fees and Services	970	3,440	22,951	19,512	85%	32,402	28,962	89%	60%
623000 - Professional Fees and Services		2,449	1,735	(714)	-41%	2,449	-	0%	-29%
Total 520000 - Operating Expenses	**3,262**	**129,450**	**174,695**	**45,245**	**26%**	**246,628**	**117,178**	**48%**	**18%**
Total Expenditures	**59,765**	**1,121,789**	**1,237,762**	**115,973**	**9%**	**1,747,429**	**625,640**	**36%**	**7%**
Expenditures by Source									
Total General Funds	47,203	878,611	929,035	50,424	5%	1,311,578	432,967	33%	
Total Special Funds	12,562	243,178	308,728	65,549	21%	435,851	192,673	44%	
Total Expenditures by Source	**59,765**	**1,121,789**	**1,237,762**	**115,973**	**9%**	**1,747,429**	**625,640**	**36%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-600 Fire Marshal

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	39,284	697,217	734,413	37,195	5%	1,036,818	339,601	33%	4%
512000 - Salaries - Other	250	8,500	17,000	8,500	50%	24,000	15,500	65%	35%
513000 - Temporary Salaries	1,069	18,071	19,550	1,479	8%	27,600	9,529	35%	5%
514000 - Overtime		45	71	26	36%	100	55	55%	26%
516000 - Fringe Benefits	15,900	283,656	309,246	25,590	8%	436,583	152,927	35%	6%
Total 510000 - Salaries and Benefits	**56,503**	**1,007,490**	**1,080,280**	**72,790**	**7%**	**1,525,101**	**517,611**	**34%**	**5%**
521000 - Travel	3,929	72,028	109,792	37,763	34%	155,000	82,972	54%	24%
532000 - Supply/Material - Professional		4,316	9,563	5,246	55%	13,500	9,184	68%	39%
533000 - Food and Clothing	9	103	1,842	1,739	94%	2,600	2,497	96%	67%
534000 - Bldg, Grounds, Vehicle Supply	25	387	3,188	2,801	88%	4,500	4,113	91%	62%
535000 - Miscellaneous Supplies		268	708	440	62%	1,000	732	73%	44%
536000 - Office Supplies	290	2,043	5,313	3,270	62%	7,500	5,457	73%	44%
541000 - Postage	27	1,986	11,333	9,348	82%	16,000	14,014	88%	58%
542000 - Printing	35	705	12,750	12,045	94%	18,000	17,295	96%	67%
552000 - Other Equipment under $5,000		16,361	12,821	(3,540)	-28%	18,100	1,739	10%	-20%
553000 - Office Equip & Furniture-Under	135	135	708	573	81%	1,000	865	86%	57%
571000 - Insurance	415	1,148	1,417	268	19%	2,000	852	43%	13%
581000 - Rentals/Leases-Equipment&Other			35	35	100%	50	50	100%	71%
582000 - Rentals/Leases - Bldg/Land	292	68,417	94,613	26,196	28%	133,571	65,154	49%	20%
591000 - Repairs		2,122	10,979	8,857	81%	15,500	13,378	86%	57%
602000 - IT - Communications	1,331	12,902	25,642	12,739	50%	36,200	23,298	64%	35%
611000 - Professional Development	(75)	4,950	7,792	2,842	36%	11,000	6,050	55%	26%
621000 - Operating Fees and Services	970	3,440	22,951	19,512	85%	32,402	28,962	89%	60%
623000 - Professional Fees and Services	144	3,915	60,102	56,187	93%	84,850	80,935	95%	66%
Total 520000 - Operating Expenses	**7,528**	**195,226**	**391,548**	**196,322**	**50%**	**552,773**	**357,547**	**65%**	**36%**
Total Expenditures	**64,032**	**1,202,716**	**1,471,827**	**269,111**	**18%**	**2,077,874**	**875,158**	**42%**	**13%**
Expenditures by Source									
Total General Funds	47,203	878,611	929,035	50,424	5%	1,311,578	432,967	33%	
Total Special Funds	16,828	324,105	542,793	218,688	40%	766,296	442,191	58%	
Total Expenditures by Source	**64,032**	**1,202,716**	**1,471,827**	**269,111**	**18%**	**2,077,874**	**875,158**	**42%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-500-50-50 Gaming - Indian Gaming

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	8,402	139,894	140,749	855	1%	198,705	58,811	30%	0%
516000 - Fringe Benefits	3,371	57,077	57,301	224	0%	80,895	23,818	29%	0%
Total 510000 - Salaries and Benefits	**11,773**	**196,971**	**198,050**	**1,079**	**1%**	**279,600**	**82,629**	**30%**	**0%**
521000 - Travel	40	23,010	22,982	(28)	0%	32,445	9,435	29%	0%
531000 - Supplies - IT Software	1,485	1,485		(1,485)	-100%		(1,485)	-100%	
532000 - Supply/Material - Professional			213	213	100%	300	300	100%	71%
534000 - Bldg, Grounds, Vehicle Supply			567	567	100%	800	800	100%	71%
535000 - Miscellaneous Supplies			191	191	100%	270	270	100%	71%
536000 - Office Supplies	14	470	871	402	46%	1,230	760	62%	33%
541000 - Postage	7	74	354	281	79%	500	427	85%	56%
542000 - Printing	13	51	71	20	28%	100	49	49%	20%
551000 - IT Equipment under $5,000		1,203	857	(346)	-40%	1,210	7	1%	-29%
553000 - Office Equip & Furniture-Under		33	489	456	93%	690	657	95%	66%
571000 - Insurance	51	124	170	46	27%	240	116	48%	19%
581000 - Rentals/Leases-Equipment&Other	5	102	425	323	76%	600	498	83%	54%
582000 - Rentals/Leases - Bldg/Land		7,597	6,906	(691)	-10%	9,750	2,153	22%	-7%
591000 - Repairs	1	28	159	132	83%	225	197	88%	59%
601000 - IT - Data Processing	104	1,876	2,029	153	8%	2,865	989	35%	5%
602000 - IT - Communications	34	575	1,417	842	59%	2,000	1,425	71%	42%
611000 - Professional Development		3,605	4,250	645	15%	6,000	2,395	40%	11%
621000 - Operating Fees and Services			354	354	100%	500	500	100%	71%
623000 - Professional Fees and Services		178	354	176	50%	500	322	64%	35%
Total 520000 - Operating Expenses	**1,755**	**40,410**	**42,659**	**2,249**	**5%**	**60,225**	**19,815**	**33%**	**4%**
Total Expenditures	**13,528**	**237,380**	**240,709**	**3,329**	**1%**	**339,825**	**102,445**	**30%**	**1%**
Expenditures by Source									
Total Special Funds	13,528	237,380	240,709	3,329	1%	339,825	102,445	30%	
Total Expenditures by Source	**13,528**	**237,380**	**240,709**	**3,329**	**1%**	**339,825**	**102,445**	**30%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-500-76 Gaming Commission

	Biennium to Date			Actual vs BTD Percent		Total Budget	Percent Budget	Percent
	Actuals	Budget	(Over) / Under	(Over)/Under	Total Budget	Remaining	Remaining	Remaining -
Expenditures								
511000 - Salaries - Permanent	675	1,417	742	52%	2,000.00	1,325	66%	37%
516000 - Fringe Benefits	62	708	647	91%	1,000.00	938	94%	65%
Total 510000 - Salaries and Benefits	**737**	**2,125**	**1,388**	**65%**	**3,000.00**	**2,263**	**75%**	**46%**
521000 - Travel	1,365	2,763	1,398	51%	3,900.00	2,535	65%	36%
582000 - Rentals/Leases - Bldg/Land	225	21	(204)	-959%	30.00	(195)	-650%	-679%
602000 - IT - Communications	105	213	107	51%	300.00	195	65%	36%
621000 - Operating Fees and Services	2,426	184	(2,242)	-1217%	260.00	(2,166)	-833%	-862%
Total 520000 - Operating Expenses	**4,121**	**3,180**	**(941)**	**-30%**	**4,490.00**	**369**	**8%**	**-21%**
Total Expenditures	**4,858**	**5,305**	**448**	**8%**	**7,490.00**	**2,632**	**35%**	**6%**
Expenditures by Source								
Total General Funds	4,858	5,305	448	8%	7,490.00	2,632	35%	
Total Expenditures by Source	**4,858**	**5,305**	**448**	**8%**	**7,490.00**	**2,632**	**35%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-500-50-46 Local Gaming Grants

	Biennium to Date						Percent Budget	Percent
	Actuals	Budget	(Over) / Under al vs BTD	Percent (Over)/l	Total Budget	al Budget Remair	Remaining	Remaining -
Expenditures								
712000 - Grants, Benefits & Claims	287,242	361,250	74,008	0	510,000.00	222,758	0	15%
Total 700000 - Grants, Refunds & Transfers	**287,242**	**361,250**	**74,008**	**0**	**510,000.00**	**222,758**	**0**	**15%**
Total Expenditures	**287,242**	**361,250**	**74,008**	**0**	**510,000.00**	**222,758**	**0**	**15%**
Expenditures by Source								
Total Special Funds	287,242	361,250	74,008	0	510,000.00	222,758	0	
Total Expenditures by Source	**287,242**	**361,250**	**74,008**	**0**	**510,000.00**	**222,758**	**0**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-500-50-25 Gaming - Refund Fund

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent	8,239	49,213	167,260	118,047	71%	236,132	186,919	79%	50%
516000 - Fringe Benefits	2,772	19,275	61,980	42,705	69%	87,501	68,226	78%	49%
Total 510000 - Salaries and Benefits	**11,011**	**68,488**	**229,240**	**160,752**	**70%**	**323,633**	**255,145**	**79%**	**50%**
521000 - Travel	82	529	10,979	10,450	95%	15,500	14,971	97%	67%
533000 - Food and Clothing		86	213	127	60%	300	214	71%	42%
535000 - Miscellaneous Supplies		58	496	438	88%	700	642	92%	63%
536000 - Office Supplies	9	3,005	2,833	(172)	-6%	4,000	995	25%	-4%
541000 - Postage		1,159	1,417	258	18%	2,000	841	42%	13%
542000 - Printing	9	2,765	3,542	777	22%	5,000	2,236	45%	16%
552000 - Other Equipment under $5,000		297	1,452	1,155	80%	2,050	1,753	86%	56%
553000 - Office Equip & Furniture-Under		402	354	(48)	-14%	500	98	20%	-10%
571000 - Insurance	34	34	248	214	86%	350	316	90%	61%
581000 - Rentals/Leases-Equipment&Other			283	283	100%	400	400	100%	71%
582000 - Rentals/Leases - Bldg/Land		8,135	5,950	(2,185)	-37%	8,400	265	3%	-26%
591000 - Repairs	84	580	425	(155)	-37%	600	20	3%	-26%
602000 - IT - Communications	30	278	893	614	69%	1,260	982	78%	49%
611000 - Professional Development		85	4,285	4,200	98%	6,050	5,965	99%	69%
621000 - Operating Fees and Services	148	802	531	(271)	-51%	750	(52)	-7%	-36%
Total 520000 - Operating Expenses	**396**	**18,216**	**33,901**	**15,685**	**46%**	**47,860**	**29,644**	**62%**	**33%**
Total Expenditures	**11,407**	**86,704**	**263,141**	**176,437**	**67%**	**371,493**	**284,789**	**77%**	**47%**
Expenditures by Source									
Total General Funds		12,825		(12,825)	-100%		(12,825)	-100%	
Total Special Funds	11,407	73,880	263,141	189,261	72%	371,493	297,613	80%	
Total Expenditures by Source	**11,407**	**86,704**	**263,141**	**176,437**	**67%**	**371,493**	**284,789**	**77%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-500-50-22 Gaming - AG Operating Fund

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel		8	10,978	10,970	100%	15,498	15,490	100%	71%
532000 - Supply/Material - Professional		25	638	613	96%	900	875	97%	68%
534000 - Bldg, Grounds, Vehicle Supply	0	0	531	531	100%	750	750	100%	71%
535000 - Miscellaneous Supplies		284	2,763	2,479	90%	3,900	3,616	93%	64%
536000 - Office Supplies	129	2,560	8,740	6,180	71%	12,339	9,779	79%	50%
541000 - Postage	268	5,707	8,358	2,651	32%	11,800	6,093	52%	22%
542000 - Printing	122	5,304	14,167	8,863	63%	20,000	14,696	73%	44%
553000 - Office Equip & Furniture-Under		3,167	7,239	4,072	56%	10,220	7,053	69%	40%
571000 - Insurance	491	1,189	2,104	915	43%	2,970	1,781	60%	31%
581000 - Rentals/Leases-Equipment&Other	273	1,942	3,524	1,582	45%	4,975	3,033	61%	32%
582000 - Rentals/Leases - Bldg/Land			1,721	1,721	100%	2,430	2,430	100%	71%
591000 - Repairs		189	903	714	79%	1,275	1,086	85%	56%
601000 - IT - Data Processing			237	237	100%	335	335	100%	71%
602000 - IT - Communications	534	8,811	13,052	4,240	32%	18,426	9,615	52%	23%
611000 - Professional Development		7,746	11,683	3,937	34%	16,494	8,748	53%	24%
621000 - Operating Fees and Services	437	3,430	41,722	38,292	92%	58,901	55,471	94%	65%
623000 - Professional Fees and Services		1,938	10,604	8,666	82%	14,970	13,032	87%	58%
Total 520000 - Operating Expenses	**2,256**	**42,301**	**138,963**	**96,661**	**70%**	**196,183**	**153,882**	**78%**	**49%**
Total Expenditures	**2,256**	**42,301**	**138,963**	**96,661**	**70%**	**196,183**	**153,882**	**78%**	**49%**
Expenditures by Source									
Total Special Funds	2,256	42,301	138,963	96,661	70%	196,183	153,882	78%	
Total Expenditures by Source	**2,256**	**42,301**	**138,963**	**96,661**	**70%**	**196,183**	**153,882**	**78%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-500-50-3 Gaming - General Fund

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent	62,402	1,191,377	1,289,992	98,615	8%	1,821,165	629,788	35%	5%
514000 - Overtime		31	71	40	57%	100	69	69%	40%
516000 - Fringe Benefits	20,584	468,071	533,138	65,067	12%	752,665	284,594	38%	9%
Total 510000 - Salaries and Benefits	**82,986**	**1,659,478**	**1,823,200**	**163,722**	**9%**	**2,573,930**	**914,452**	**36%**	**6%**
521000 - Travel	275	15,068	27,313	12,245	45%	38,560	23,492	61%	32%
531000 - Supplies - IT Software		594		(594)	-100%		(594)	-100%	
536000 - Office Supplies		1,941		(1,941)	-100%		(1,941)	-100%	
541000 - Postage		36		(36)	-100%		(36)	-100%	
542000 - Printing		130		(130)	-100%		(130)	-100%	
581000 - Rentals/Leases-Equipment&Other		85		(85)	-100%		(85)	-100%	
591000 - Repairs		20		(20)	-100%		(20)	-100%	
621000 - Operating Fees and Services		85		(85)	-100%		(85)	-100%	
Total 520000 - Operating Expenses	**275**	**17,958**	**27,313**	**9,355**	**34%**	**38,560**	**20,602**	**53%**	**24%**
Total Expenditures	**83,262**	**1,677,437**	**1,850,514**	**173,077**	**9%**	**2,612,490**	**935,053**	**36%**	**7%**
Expenditures by Source									
Total General Funds	83,262	1,517,501	1,621,274	103,773	6%	2,288,857	771,356	34%	
Total Special Funds		159,936	229,240	69,304	30%	323,633	163,697	51%	
Total Expenditures by Source	**83,262**	**1,677,437**	**1,850,514**	**173,077**	**9%**	**2,612,490**	**935,053**	**36%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-500 Gaming

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	79,043	1,381,159	1,599,418	218,259	14%	2,258,002	876,843	39%	10%
514000 - Overtime		31	71	40	57%	100	69	69%	40%
516000 - Fringe Benefits	26,728	544,485	653,127	108,642	17%	922,061	377,576	41%	12%
Total 510000 - Salaries and Benefits	**105,771**	**1,925,674**	**2,252,615**	**326,942**	**15%**	**3,180,163**	**1,254,489**	**39%**	**10%**
521000 - Travel	398	39,980	75,015	35,034	47%	105,903	65,923	62%	33%
531000 - Supplies - IT Software	1,485	2,079		(2,079)	-100%		(2,079)	-100%	
532000 - Supply/Material - Professional		25	850	825	97%	1,200	1,175	98%	69%
533000 - Food and Clothing		86	213	127	60%	300	214	71%	42%
534000 - Bldg, Grounds, Vehicle Supply	0	0	1,098	1,097	100%	1,550	1,550	100%	71%
535000 - Miscellaneous Supplies		342	3,450	3,108	90%	4,870	4,528	93%	64%
536000 - Office Supplies	152	7,976	12,445	4,469	36%	17,569	9,593	55%	25%
541000 - Postage	275	6,976	10,129	3,154	31%	14,300	7,324	51%	22%
542000 - Printing	145	8,249	17,779	9,530	54%	25,100	16,851	67%	38%
551000 - IT Equipment under $5,000		1,203	857	(346)	-40%	1,210	7	1%	-29%
552000 - Other Equipment under $5,000		297	1,452	1,155	80%	2,050	1,753	86%	56%
553000 - Office Equip & Furniture-Under		3,602	8,082	4,480	55%	11,410	7,808	68%	39%
571000 - Insurance	577	1,348	2,522	1,174	47%	3,560	2,212	62%	33%
581000 - Rentals/Leases-Equipment&Other	278	2,129	4,232	2,103	50%	5,975	3,846	64%	35%
582000 - Rentals/Leases - Bldg/Land		15,957	14,599	(1,358)	-9%	20,610	4,653	23%	-7%
591000 - Repairs	85	817	1,488	670	45%	2,100	1,283	61%	32%
601000 - IT - Data Processing	104	1,876	2,267	390	17%	3,200	1,324	41%	12%
602000 - IT - Communications	598	9,769	15,573	5,804	37%	21,986	12,217	56%	26%
611000 - Professional Development		11,436	20,219	8,782	43%	28,544	17,108	60%	31%
621000 - Operating Fees and Services	584	6,743	42,791	36,048	84%	60,411	53,668	89%	60%
623000 - Professional Fees and Services		2,115	10,958	8,842	81%	15,470	13,355	86%	57%
Total 520000 - Operating Expenses	**4,682**	**123,007**	**246,017**	**123,010**	**50%**	**347,318**	**224,311**	**65%**	**35%**
712000 - Grants, Benefits & Claims		287,242	361,250	74,008	20%	510,000	222,758	44%	15%
Total 700000 - Grants, Refunds & Transfers		**287,242**	**361,250**	**74,008**	**20%**	**510,000**	**222,758**	**44%**	**15%**
Total Expenditures	**110,453**	**2,335,923**	**2,859,882**	**523,960**	**18%**	**4,037,481**	**1,701,558**	**42%**	**13%**
Expenditures by Source									
Total General Funds	83,262	1,535,183	1,626,579	91,396	6%	2,296,347	761,164	33%	
Total Special Funds	27,191	800,739	1,233,303	432,564	35%	1,741,134	940,395	54%	
Total Expenditures by Source	**110,453**	**2,335,923**	**2,859,882**	**523,960**	**18%**	**4,037,481**	**1,701,558**	**42%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-400 Consumer Protection

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	49,466	812,350	824,405	12,055	1%	1,163,866	351,516	30%	1%
516000 - Fringe Benefits	18,269	313,005	334,192	21,188	6%	471,801	158,796	34%	4%
Total 510000 - Salaries and Benefits	**67,735**	**1,125,355**	**1,158,597**	**33,242**	**3%**	**1,635,667**	**510,312**	**31%**	**2%**
521000 - Travel	756	11,558	12,694	1,137	9%	17,921	6,363	36%	6%
531000 - Supplies - IT Software	(212)	-		-			-		
532000 - Supply/Material - Professional	166	744	1,331	587	44%	1,879	1,135	60%	31%
533000 - Food and Clothing		109	142	33	23%	200	91	46%	16%
534000 - Bldg, Grounds, Vehicle Supply	1	1	708	707	100%	1,000	999	100%	71%
535000 - Miscellaneous Supplies			708	708	100%	1,000	1,000	100%	71%
536000 - Office Supplies	300	10,644	9,208	(1,436)	-16%	13,000	2,356	18%	-11%
541000 - Postage		3,056	4,958	1,902	38%	7,000	3,944	56%	27%
542000 - Printing	77	3,441	5,667	2,226	39%	8,000	4,559	57%	28%
552000 - Other Equipment under $5,000			305	305	100%	431	431	100%	71%
553000 - Office Equip & Furniture-Under		585	7,083	6,498	92%	10,000	9,415	94%	65%
571000 - Insurance	309	947	1,417	470	33%	2,000	1,053	53%	23%
581000 - Rentals/Leases-Equipment&Other	83	571	3,542	2,971	84%	5,000	4,429	89%	59%
582000 - Rentals/Leases - Bldg/Land		113,544	130,124	16,580	13%	183,704	70,160	38%	9%
591000 - Repairs	2	330	3,188	2,857	90%	4,500	4,170	93%	63%
602000 - IT - Communications	659	11,055	20,542	9,487	46%	29,000	17,945	62%	33%
611000 - Professional Development		2,015	3,542	1,527	43%	5,000	2,985	60%	31%
621000 - Operating Fees and Services	84	9,181	63,019	53,838	85%	88,968	79,787	90%	61%
623000 - Professional Fees and Services	87	2,357	14,167	11,810	83%	20,000	17,643	88%	59%
Total 520000 - Operating Expenses	**2,311**	**170,138**	**282,344**	**112,206**	**40%**	**398,603**	**228,465**	**57%**	**28%**
Total Expenditures	**70,046**	**1,295,493**	**1,440,941**	**145,449**	**10%**	**2,034,270**	**738,777**	**36%**	**7%**
Expenditures by Source									
Total General Funds	43,586	755,175	744,785	(10,390)	-1%	1,051,461	296,286	28%	
Total Special Funds	26,460	540,317	696,156	155,839	22%	982,809	442,492	45%	
Total Expenditures by Source	**70,046**	**1,295,493**	**1,440,941**	**145,449**	**10%**	**2,034,270**	**738,777**	**36%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-300-35 Forensic Med. Exam Reimbursmnt

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
623000 - Professional Fees and Services	31,000	334,361	467,500	133,139	28%	660,000	325,639	49%	20%
Total 520000 - Operating Expenses	**31,000**	**334,361**	**467,500**	**133,139**	**28%**	**660,000**	**325,639**	**49%**	**20%**
Total Expenditures	**31,000**	**334,361**	**467,500**	**133,139**	**28%**	**660,000**	**325,639**	**49%**	**20%**
Expenditures by Source									
Total Special Funds	31,000	334,361	467,500	133,139	28%	660,000	325,639	49%	
Total Expenditures by Source	**31,000**	**334,361**	**467,500**	**133,139**	**28%**	**660,000**	**325,639**	**49%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-300-33 Crime Lab FF

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel	1,413	61,601	68,000	6,399	9%	96,000	34,399	36%	7%
531000 - Supplies - IT Software		11,294		(11,294)	-100%		(11,294)	-100%	
532000 - Supply/Material - Professional		1,085	14,167	13,082	92%	20,000	18,915	95%	65%
534000 - Bldg, Grounds, Vehicle Supply		12	3,542	3,530	100%	5,000	4,988	100%	71%
535000 - Miscellaneous Supplies			4,958	4,958	100%	7,000	7,000	100%	71%
536000 - Office Supplies			71	71	100%	100	100	100%	71%
541000 - Postage		63	106	43	40%	150	87	58%	29%
552000 - Other Equipment under $5,000		57,479	106,250	48,771	46%	150,000	92,521	62%	33%
553000 - Office Equip & Furniture-Under			7,083	7,083	100%	10,000	10,000	100%	71%
571000 - Insurance			708	708	100%	1,000	1,000	100%	71%
591000 - Repairs		14,306	21,250	6,944	33%	30,000	15,694	52%	23%
611000 - Professional Development		33,974	35,417	1,443	4%	50,000	16,026	32%	3%
621000 - Operating Fees and Services		6,208	291,437	285,230	98%	411,441	405,233	98%	69%
623000 - Professional Fees and Services		7,975	14,167	6,192	44%	20,000	12,025	60%	31%
625000 - Medical, Dental and Optical	370	276,530	316,235	39,705	13%	446,449	169,919	38%	9%
Total 520000 - Operating Expenses	**1,782**	**470,526**	**883,391**	**412,865**	**47%**	**1,247,140**	**776,614**	**62%**	**33%**
691000 - Equipment Over $5000		511,242	740,488	229,247	31%	1,045,395	534,153	51%	22%
Total 681000 - Capital Assets		**511,242**	**740,488**	**229,247**	**31%**	**1,045,395**	**534,153**	**51%**	**22%**
Total Expenditures	**1,782**	**981,768**	**1,623,879**	**642,111**	**40%**	**2,292,535**	**1,310,767**	**57%**	**28%**
Expenditures by Source									
Total Federal Funds	2,827	981,240	1,623,879	642,639	40%	2,292,535	1,311,295	57%	
Total Special Funds	(1,573)	-		-			-		
Total General Funds	528	528		(528)			(528)		
Total Expenditures by Source	**1,782**	**981,768**	**1,623,879**	**642,111**	**40%**	**2,292,535**	**1,310,767**	**57%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-300-32 Crime Lab - GF

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	132,674	2,314,224	2,399,901	85,676	4%	3,388,095	1,073,871	32%	3%
513000 - Temporary Salaries		28,200	56,040	27,840	50%	79,115	50,915	64%	35%
516000 - Fringe Benefits	53,180	938,229	1,007,858	69,629	7%	1,422,858	484,629	34%	5%
Total 510000 - Salaries and Benefits	**185,854**	**3,280,653**	**3,463,798**	**183,145**	**5%**	**4,890,068**	**1,609,415**	**33%**	**4%**
521000 - Travel	2,417	19,009	17,844	(1,164)	-7%	25,192	6,183	25%	-5%
532000 - Supply/Material - Professional	75	3,330	5,235	1,905	36%	7,390	4,060	55%	26%
533000 - Food and Clothing		1,994	10,045	8,051	80%	14,181	12,187	86%	57%
534000 - Bldg, Grounds, Vehicle Supply		8,089	9,208	1,119	12%	13,000	4,911	38%	9%
535000 - Miscellaneous Supplies		193	5,188	4,995	96%	7,324	7,131	97%	68%
536000 - Office Supplies	498	5,179	13,928	8,749	63%	19,663	14,484	74%	44%
541000 - Postage	199	8,547	12,475	3,928	31%	17,612	9,065	51%	22%
542000 - Printing	7	1,784	4,951	3,167	64%	6,989	5,205	74%	45%
552000 - Other Equipment under $5,000	899	5,437	9,053	3,616	40%	12,780	7,343	57%	28%
553000 - Office Equip & Furniture-Under	22	22	5,667	5,644	100%	8,000	7,978	100%	71%
561000 - Utilities	347	113,112	169,346	56,234	33%	239,077	125,965	53%	24%
571000 - Insurance	3,194	13,132	11,549	(1,583)	-14%	16,304	3,172	19%	-10%
581000 - Rentals/Leases-Equipment&Other	179	3,300	5,264	1,964	37%	7,432	4,132	56%	26%
591000 - Repairs	1,651	334,844	321,793	(13,051)	-4%	454,296	119,452	26%	-3%
602000 - IT - Communications	1,197	18,791	24,255	5,463	23%	34,242	15,451	45%	16%
611000 - Professional Development		10,511	10,107	(404)	-4%	14,268	3,757	26%	-3%
621000 - Operating Fees and Services	2,604	23,494	26,347	2,853	11%	37,196	13,702	37%	8%
623000 - Professional Fees and Services	156	142,077	235,375	93,298	40%	332,294	190,217	57%	28%
625000 - Medical, Dental and Optical	19,468	222,174	241,411	19,237	8%	340,816	118,642	35%	6%
Total 520000 - Operating Expenses	**32,911**	**935,020**	**1,139,040**	**204,020**	**18%**	**1,608,056**	**673,037**	**42%**	**13%**
683000 - Other Capital Payments		382,139	542,217	160,078	30%	765,483	383,344	50%	21%
Total 681000 - Capital Assets		**382,139**	**542,217**	**160,078**	**30%**	**765,483**	**383,344**	**50%**	**21%**
Total Expenditures	**218,765**	**4,597,812**	**5,145,055**	**547,243**	**11%**	**7,263,607**	**2,665,795**	**37%**	**8%**
Expenditures by Source									
Total General Funds	197,842	4,233,935	4,842,000	608,066	13%	6,835,765	2,601,830	38%	
Total Special Funds	20,923	363,877	303,055	(60,822)	-20%	427,842	63,965	15%	
Total Expenditures by Source	**218,765**	**4,597,812**	**5,145,055**	**547,243**	**11%**	**7,263,607**	**2,665,795**	**37%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-300-31 Crime Lab - Law Enforce

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent	4,468	72,050	71,090	(960)	-1%	100,363	28,313	28%	-1%
516000 - Fringe Benefits	2,022	33,841	33,741	(100)	0%	47,635	13,794	29%	0%
Total 510000 - Salaries and Benefits	**6,490**	**105,891**	**104,832**	**(1,059)**	**-1%**	**147,998**	**42,107**	**28%**	**-1%**
521000 - Travel		18	4,250	4,233	100%	6,000	5,983	100%	71%
531000 - Supplies - IT Software		477	354	(123)	-35%	500	23	5%	-25%
532000 - Supply/Material - Professional		444	354	(90)	-25%	500	56	11%	-18%
533000 - Food and Clothing			35	35	100%	50	50	100%	71%
534000 - Bldg, Grounds, Vehicle Supply			35	35	100%	50	50	100%	71%
535000 - Miscellaneous Supplies			71	71	100%	100	100	100%	71%
536000 - Office Supplies		27	106	79	75%	150	123	82%	53%
541000 - Postage	8	70	71	1	2%	100	30	30%	1%
542000 - Printing		60	71	11	16%	100	40	40%	11%
552000 - Other Equipment under $5,000			354	354	100%	500	500	100%	71%
553000 - Office Equip & Furniture-Under			8,146	8,146	100%	11,500	11,500	100%	71%
571000 - Insurance	123	134	71	(63)	-89%	100	(34)	-34%	-63%
581000 - Rentals/Leases-Equipment&Other			35	35	100%	50	50	100%	71%
591000 - Repairs	33	265	213	(53)	-25%	300	35	12%	-18%
601000 - IT - Data Processing	73	660	708	48	7%	1,000	340	34%	5%
602000 - IT - Communications	23	253	283	30	11%	400	147	37%	8%
611000 - Professional Development			2,408	2,408	100%	3,400	3,400	100%	71%
621000 - Operating Fees and Services			12,157	12,157	100%	17,163	17,163	100%	71%
623000 - Professional Fees and Services	6	113	(9,350)	(9,463)	101%	(13,200)	(13,313)	101%	72%
625000 - Medical, Dental and Optical			708	708	100%	1,000	1,000	100%	71%
Total 520000 - Operating Expenses	**266**	**2,519**	**21,082**	**18,563**	**88%**	**29,763**	**27,244**	**92%**	**62%**
Total Expenditures	**6,756**	**108,410**	**125,914**	**17,504**	**14%**	**177,761**	**69,351**	**39%**	**10%**
Expenditures by Source									
Total General Funds	6,756	108,410	125,914	17,504	14%	177,761	69,351	39%	
Total Expenditures by Source	**6,756**	**108,410**	**125,914**	**17,504**	**14%**	**177,761**	**69,351**	**39%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-300 Crime Laboratory

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	137,142	2,386,274	2,470,991	84,717	3%	3,488,458	1,102,184	32%	2%
513000 - Temporary Salaries		28,200	56,040	27,840	50%	79,115	50,915	64%	35%
516000 - Fringe Benefits	55,202	972,070	1,041,599	69,529	7%	1,470,493	498,423	34%	5%
Total 510000 - Salaries and Benefits	**192,344**	**3,386,544**	**3,568,630**	**182,086**	**5%**	**5,038,066**	**1,651,522**	**33%**	**4%**
521000 - Travel	3,829	80,627	90,094	9,467	11%	127,192	46,565	37%	7%
531000 - Supplies - IT Software		11,771	354	(11,417)	-3,224%	500	(11,271)	-2,254%	-2,283%
532000 - Supply/Material - Professional	75	4,858	19,755	14,897	75%	27,890	23,032	83%	53%
533000 - Food and Clothing		1,994	10,080	8,086	80%	14,231	12,237	86%	57%
534000 - Bldg, Grounds, Vehicle Supply		8,101	12,785	4,684	37%	18,050	9,949	55%	26%
535000 - Miscellaneous Supplies		193	10,217	10,024	98%	14,424	14,231	99%	69%
536000 - Office Supplies	498	5,206	14,105	8,899	63%	19,913	14,707	74%	45%
541000 - Postage	207	8,680	12,652	3,972	31%	17,862	9,182	51%	22%
542000 - Printing	7	1,843	5,021	3,178	63%	7,089	5,246	74%	45%
552000 - Other Equipment under $5,000	899	62,915	115,657	52,741	46%	163,280	100,365	61%	32%
553000 - Office Equip & Furniture-Under	22	22	20,896	20,873	100%	29,500	29,478	100%	71%
561000 - Utilities	347	113,112	169,346	56,234	33%	239,077	125,965	53%	24%
571000 - Insurance	3,317	13,266	12,328	(938)	-8%	17,404	4,138	24%	-5%
581000 - Rentals/Leases-Equipment&Other	179	3,300	5,300	2,000	38%	7,482	4,182	56%	27%
591000 - Repairs	1,684	349,415	343,256	(6,160)	-2%	484,596	135,181	28%	-1%
601000 - IT - Data Processing	73	660	708	48	7%	1,000	340	34%	5%
602000 - IT - Communications	1,220	19,044	24,538	5,494	22%	34,642	15,598	45%	16%
611000 - Professional Development		44,485	47,932	3,447	7%	67,668	23,183	34%	5%
621000 - Operating Fees and Services	2,604	29,702	329,942	300,240	91%	465,800	436,098	94%	64%
623000 - Professional Fees and Services	31,162	484,526	707,692	223,166	32%	999,094	514,569	52%	22%
625000 - Medical, Dental and Optical	19,837	498,704	558,354	59,651	11%	788,265	289,561	37%	8%
Total 520000 - Operating Expenses	**65,959**	**1,742,425**	**2,511,013**	**768,587**	**31%**	**3,544,959**	**1,802,534**	**51%**	**22%**
683000 - Other Capital Payments		382,139	542,217	160,078	30%	765,483	383,344	50%	21%
691000 - Equipment Over $5000		511,242	740,488	229,247	31%	1,045,395	534,153	51%	22%
Total 681000 - Capital Assets		**893,381**	**1,282,705**	**389,325**	**30%**	**1,810,878**	**917,497**	**51%**	**21%**
Total Expenditures	**258,303**	**6,022,350**	**7,362,348**	**1,339,998**	**18%**	**10,393,903**	**4,371,553**	**42%**	**13%**
Expenditures by Source									
Total General Funds	205,125	4,342,872	4,967,914	625,042	13%	7,013,526	2,670,654	38%	
Total Special Funds	50,350	698,238	770,555	72,317	9%	1,087,842	389,604	36%	
Total Federal Funds	2,827	981,240	1,623,879	642,639	40%	2,292,535	1,311,295	57%	
Total Expenditures by Source	**258,303**	**6,022,350**	**7,362,348**	**1,339,998**	**18%**	**10,393,903**	**4,371,553**	**42%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-200-3-29 Concealed Weapons

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	15,852	258,638	307,043	48,406	16%	433,473	174,835	40%	11%
513000 - Temporary Salaries	9,600	122,294	63,892	(58,402)	-91%	90,200	(32,094)	-36%	-65%
514000 - Overtime		22,364	25,358	2,994	12%	35,800	13,436	38%	8%
516000 - Fringe Benefits	11,407	178,407	185,573	7,167	4%	261,986	83,579	32%	3%
Total 510000 - Salaries and Benefits	**36,859**	**581,702**	**581,867**	**165**	**0%**	**821,459**	**239,757**	**29%**	**0%**
521000 - Travel			10,908	10,908	100%	15,400	15,400	100%	71%
532000 - Supply/Material - Professional			2,616	2,616	100%	3,693	3,693	100%	71%
535000 - Miscellaneous Supplies		1,752	1,983	231	12%	2,800	1,048	37%	8%
536000 - Office Supplies	33	15,570	20,924	5,354	26%	29,540	13,970	47%	18%
541000 - Postage			15,258	15,258	100%	21,540	21,540	100%	71%
542000 - Printing	1,065	5,459	21,601	16,142	75%	30,495	25,036	82%	53%
553000 - Office Equip & Furniture-Under	1,587	6,585	15,258	8,673	57%	21,540	14,955	69%	40%
571000 - Insurance	189	400	2,205	1,805	82%	3,113	2,713	87%	58%
582000 - Rentals/Leases - Bldg/Land		107,198	121,267	14,069	12%	171,200	64,003	37%	8%
591000 - Repairs	180	2,136	2,225	89	4%	3,141	1,005	32%	3%
602000 - IT - Communications	54	841	4,562	3,721	82%	6,440	5,599	87%	58%
611000 - Professional Development	15	580	7,367	6,787	92%	10,400	9,820	94%	65%
621000 - Operating Fees and Services	51	607	2,908	2,301	79%	4,106	3,499	85%	56%
623000 - Professional Fees and Services		17,324	18,665	1,341	7%	26,350	9,026	34%	5%
Total 520000 - Operating Expenses	**3,174**	**158,451**	**247,745**	**89,294**	**36%**	**349,758**	**191,307**	**55%**	**26%**
Total Expenditures	**40,033**	**740,154**	**829,612**	**89,458**	**11%**	**1,171,217**	**431,063**	**37%**	**8%**
Expenditures by Source									
Total Special Funds	40,033	740,154	829,612	89,458	11%	1,171,217	431,063	37%	
Total Expenditures by Source	**40,033**	**740,154**	**829,612**	**89,458**	**11%**	**1,171,217**	**431,063**	**37%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-200-1-25 Human Trafficking Grants

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
712000 - Grants, Benefits & Claims	16,951	165,670	354,167	188,497	53%	500,000	334,330	67%	38%
Total 700000 - Grants, Refunds & Transfers	**16,951**	**165,670**	**354,167**	**188,497**	**53%**	**500,000**	**334,330**	**67%**	**38%**
Total Expenditures	**16,951**	**165,670**	**354,167**	**188,497**	**53%**	**500,000**	**334,330**	**67%**	**38%**
Expenditures by Source									
Total General Funds	16,951	165,670	354,167	188,497	53%	500,000	334,330	67%	
Total Expenditures by Source	**16,951**	**165,670**	**354,167**	**188,497**	**53%**	**500,000**	**334,330**	**67%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-200-3-24 Law Enforcement Carryover

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	7,530	125,375	133,521	8,146	6%	188,500	63,125	33%	4%
516000 - Fringe Benefits	2,771	46,977	43,563	(3,415)	-8%	61,500	14,523	24%	-6%
Total 510000 - Salaries and Benefits	**10,301**	**172,352**	**177,083**	**4,731**	**3%**	**250,000**	**77,648**	**31%**	**2%**
602000 - IT - Communications	151	2,481	2,692	211	8%	3,800	1,319	35%	6%
Total 520000 - Operating Expenses	**151**	**2,481**	**2,692**	**211**	**8%**	**3,800**	**1,319**	**35%**	**6%**
712000 - Grants, Benefits & Claims	2,439	990,139	992,648	2,510	0%	1,401,386	411,247	29%	0%
Total 700000 - Grants, Refunds & Transfers	**2,439**	**990,139**	**992,648**	**2,510**	**0%**	**1,401,386**	**411,247**	**29%**	**0%**
Total Expenditures	**12,891**	**1,164,972**	**1,172,423**	**7,452**	**1%**	**1,655,186**	**490,214**	**30%**	**0%**
Expenditures by Source									
Total Special Funds	12,891	1,164,972	1,172,423	7,452	1%	1,655,186	490,214	30%	
Total Expenditures by Source	**12,891**	**1,164,972**	**1,172,423**	**7,452**	**1%**	**1,655,186**	**490,214**	**30%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-200-3-20 BCI AG Operating – Other

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	12,672	210,092	208,113	(1,979)	-1%	293,807	83,715	28%	-1%
512000 - Salaries - Other	-	500		(500)	-100%		(500)	-100%	
516000 - Fringe Benefits	6,089	104,058	104,058	0	0%	146,906	42,848	29%	0%
Total 510000 - Salaries and Benefits	**18,761**	**314,650**	**312,172**	**(2,478)**	**-1%**	**440,713**	**126,063**	**29%**	**-1%**
521000 - Travel			9,633	9,633	100%	13,600	13,600	100%	71%
532000 - Supply/Material - Professional			1,700	1,700	100%	2,400	2,400	100%	71%
533000 - Food and Clothing			1,133	1,133	100%	1,600	1,600	100%	71%
534000 - Bldg, Grounds, Vehicle Supply			1,700	1,700	100%	2,400	2,400	100%	71%
535000 - Miscellaneous Supplies		-	1,700	1,700	100%	2,400	2,400	100%	71%
536000 - Office Supplies		-	2,550	2,550	100%	3,600	3,600	100%	71%
541000 - Postage			2,125	2,125	100%	3,000	3,000	100%	71%
552000 - Other Equipment under $5,000			10,625	10,625	100%	15,000	15,000	100%	71%
553000 - Office Equip & Furniture-Under		-	10,625	10,625	100%	15,000	15,000	100%	71%
571000 - Insurance		-	2,914	2,914	100%	4,114	4,114	100%	71%
591000 - Repairs			3,896	3,896	100%	5,500	5,500	100%	71%
602000 - IT - Communications		-	3,825	3,825	100%	5,400	5,400	100%	71%
611000 - Professional Development			7,083	7,083	100%	10,000	10,000	100%	71%
621000 - Operating Fees and Services	43	86		(86)	-100%		(86)	-100%	
Total 520000 - Operating Expenses	**43**	**86**	**59,510**	**59,424**	**100%**	**84,014**	**83,928**	**100%**	**71%**
Total Expenditures	**18,804**	**314,736**	**371,682**	**56,946**	**15%**	**524,727**	**209,991**	**40%**	**11%**
Expenditures by Source									
Total Special Funds	18,804	314,736	371,682	56,946	15%	524,727	209,991	40%	
Total Expenditures by Source	**18,804**	**314,736**	**371,682**	**56,946**	**15%**	**524,727**	**209,991**	**40%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: 125-200-1-21 15-17 Law Enforce

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	54,647	750,907	891,544	140,637	16%	1,258,650	507,743	40%	11%
512000 - Salaries - Other	(396)	163		(163)	-100%		(163)	-100%	
513000 - Temporary Salaries		4,542	5,313	771	15%	7,500	2,958	39%	10%
514000 - Overtime	(303)	-		-	0%		-	0%	
516000 - Fringe Benefits	23,582	346,905	442,724	95,819	22%	625,022	278,117	44%	15%
Total 510000 - Salaries and Benefits	**77,531**	**1,102,516**	**1,339,580**	**237,064**	**18%**	**1,891,172**	**788,656**	**42%**	**13%**
521000 - Travel	1,080	33,110	35,249	2,139	6%	49,763	16,653	33%	4%
531000 - Supplies - IT Software		14,713	10,625	(4,088)	-38%	15,000	287	2%	-27%
532000 - Supply/Material - Professional		4,292	8,363	4,072	49%	11,807	7,515	64%	34%
533000 - Food and Clothing		12,899	10,784	(2,115)	-20%	15,224	2,325	15%	-14%
534000 - Bldg, Grounds, Vehicle Supply	910	10,570	11,130	560	5%	15,713	5,143	33%	4%
535000 - Miscellaneous Supplies		16,742	12,099	(4,643)	-38%	17,081	339	2%	-27%
536000 - Office Supplies		1,836	8,805	6,970	79%	12,431	10,595	85%	56%
541000 - Postage		29	8,034	8,005	100%	11,342	11,313	100%	71%
542000 - Printing		810	5,634	4,824	86%	7,954	7,144	90%	61%
551000 - IT Equipment under $5,000		650	708	58	8%	1,000	350	35%	6%
552000 - Other Equipment under $5,000		69,810	101,037	31,228	31%	142,641	72,831	51%	22%
553000 - Office Equip & Furniture-Under		8,365	8,361	(4)	0%	11,804	3,439	29%	0%
561000 - Utilities			2,479	2,479	100%	3,500	3,500	100%	71%
571000 - Insurance	551	643	3,059	2,415	79%	4,318	3,675	85%	56%
581000 - Rentals/Leases-Equipment&Other			26	26	100%	36	36	100%	71%
582000 - Rentals/Leases - Bldg/Land			1,417	1,417	100%	2,000	2,000	100%	71%
591000 - Repairs	1,217	19,906	21,155	1,249	6%	29,866	9,960	33%	4%
601000 - IT - Data Processing	1,897	17,074	17,708	634	4%	25,000	7,926	32%	3%
602000 - IT - Communications	426	3,513	16,781	13,268	79%	23,691	20,178	85%	56%
611000 - Professional Development		845	37,312	36,467	98%	52,676	51,831	98%	69%
621000 - Operating Fees and Services	225	5,883	50,248	44,365	88%	70,939	65,056	92%	63%
623000 - Professional Fees and Services		11,340	12,200	860	7%	17,223	5,883	34%	5%
Total 520000 - Operating Expenses	**6,306**	**233,029**	**383,215**	**150,186**	**39%**	**541,009**	**307,980**	**57%**	**28%**
691000 - Equipment Over $5000			45,245	45,245	100%	63,875	63,875	100%	71%
692000 - Motor Vehicles		240,163	170,708	(69,454)	-41%	241,000	838	0%	-29%
Total 681000 - Capital Assets		**240,163**	**215,953**	**(24,209)**	**-11%**	**304,875**	**64,713**	**21%**	**-8%**
Total Expenditures	**83,837**	**1,575,707**	**1,938,748**	**363,041**	**19%**	**2,737,056**	**1,161,349**	**42%**	**13%**
Expenditures by Source									
Total General Funds	83,837	1,575,707	1,938,748	363,041	19%	2,737,056	1,161,349	42%	
Total Expenditures by Source	**83,837**	**1,575,707**	**1,938,748**	**363,041**	**19%**	**2,737,056**	**1,161,349**	**42%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-200-3 BCI Other Funds

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	36,054	594,105	648,678	54,573	8%	915,780	321,675	35%	6%
512000 - Salaries - Other	-	500		(500)	-100%		(500)	-100%	
513000 - Temporary Salaries	9,600	122,294	63,892	(58,402)	-91%	90,200	(32,094)	-36%	-65%
514000 - Overtime		22,364	25,358	2,994	12%	35,800	13,436	38%	8%
516000 - Fringe Benefits	20,268	329,442	333,194	3,752	1%	470,392	140,950	30%	1%
Total 510000 - Salaries and Benefits	**65,922**	**1,068,705**	**1,071,122**	**2,417**	**0%**	**1,512,172**	**443,467**	**29%**	**0%**
521000 - Travel			20,542	20,542	100%	29,000	29,000	100%	71%
532000 - Supply/Material - Professional			4,316	4,316	100%	6,093	6,093	100%	71%
533000 - Food and Clothing			1,133	1,133	100%	1,600	1,600	100%	71%
534000 - Bldg, Grounds, Vehicle Supply			1,700	1,700	100%	2,400	2,400	100%	71%
535000 - Miscellaneous Supplies		1,752	3,683	1,931	52%	5,200	3,448	66%	37%
536000 - Office Supplies	33	15,570	23,474	7,904	34%	33,140	17,570	53%	24%
541000 - Postage			17,383	17,383	100%	24,540	24,540	100%	71%
542000 - Printing	1,065	5,459	21,601	16,142	75%	30,495	25,036	82%	53%
552000 - Other Equipment under $5,000			10,625	10,625	100%	15,000	15,000	100%	71%
553000 - Office Equip & Furniture-Under	1,587	6,585	25,883	19,298	75%	36,540	29,955	82%	53%
571000 - Insurance	189	400	5,119	4,720	92%	7,227	6,827	94%	65%
582000 - Rentals/Leases - Bldg/Land		107,198	121,267	14,069	12%	171,200	64,003	37%	8%
591000 - Repairs	180	2,136	6,121	3,985	65%	8,641	6,505	75%	46%
602000 - IT - Communications	205	3,322	11,078	7,757	70%	15,640	12,318	79%	50%
611000 - Professional Development	15	580	14,450	13,870	96%	20,400	19,820	97%	68%
621000 - Operating Fees and Services	94	693	2,908	2,215	76%	4,106	3,413	83%	54%
623000 - Professional Fees and Services		17,324	18,665	1,341	7%	26,350	9,026	34%	5%
Total 520000 - Operating Expenses	**3,368**	**161,018**	**309,947**	**148,929**	**48%**	**437,572**	**276,554**	**63%**	**34%**
712000 - Grants, Benefits & Claims	2,439	990,139	992,648	2,510	0%	1,401,386	411,247	29%	0%
Total 700000 - Grants, Refunds & Transfers	**2,439**	**990,139**	**992,648**	**2,510**	**0%**	**1,401,386**	**411,247**	**29%**	**0%**
Total Expenditures	**71,728**	**2,219,861**	**2,373,717**	**153,856**	**6%**	**3,351,130**	**1,131,269**	**34%**	**5%**
Expenditures by Source									
Total Special Funds	71,728	2,219,861	2,373,717	153,856	6%	3,351,130	1,131,269	34%	
Total Expenditures by Source	**71,728**	**2,219,861**	**2,373,717**	**153,856**	**6%**	**3,351,130**	**1,131,269**	**34%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-200-2 BCI - Federal Funds

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	15,976	279,845	216,769	(63,076)	-29%	306,027	26,182	9%	-21%
512000 - Salaries - Other	(61)	-		-			-		
513000 - Temporary Salaries	4,547	38,470	135,148	96,678	72%	190,797	152,327	80%	51%
514000 - Overtime	2,706	79,825	151,129	71,305	47%	213,359	133,534	63%	33%
516000 - Fringe Benefits	7,566	130,773	178,881	48,108	27%	252,538	121,765	48%	19%
Total 510000 - Salaries and Benefits	**30,735**	**528,912**	**681,927**	**153,016**	**22%**	**962,721**	**433,809**	**45%**	**16%**
521000 - Travel	9,465	162,104	279,429	117,325	42%	394,488	232,384	59%	30%
531000 - Supplies - IT Software		39,909		(39,909)	-100%		(39,909)	-100%	
532000 - Supply/Material - Professional		10,469	1,240	(9,230)	-745%	1,750	(8,719)	-498%	-527%
533000 - Food and Clothing		365	3,542	3,177	90%	5,000	4,635	93%	64%
534000 - Bldg, Grounds, Vehicle Supply	3,199	51,341	120,275	68,934	57%	169,800	118,459	70%	41%
535000 - Miscellaneous Supplies		4,178	(5,383)	(9,561)	178%	(7,600)	(11,778)	155%	126%
536000 - Office Supplies		146	31,507	31,361	100%	44,480	44,334	100%	71%
541000 - Postage		20	5,490	5,469	100%	7,750	7,730	100%	71%
542000 - Printing			24,013	24,013	100%	33,900	33,900	100%	71%
551000 - IT Equipment under $5,000		6,601		(6,601)	-100%		(6,601)	-100%	
552000 - Other Equipment under $5,000		1,224	237,890	236,666	99%	335,845	334,621	100%	70%
553000 - Office Equip & Furniture-Under		5,534	13,813	8,278	60%	19,500	13,966	72%	42%
571000 - Insurance	34	196	3,409	3,212	94%	4,812	4,616	96%	67%
581000 - Rentals/Leases-Equipment&Other	6,676	56,808	134,583	77,775	58%	190,000	133,192	70%	41%
582000 - Rentals/Leases - Bldg/Land		17,895	48,875	30,980	63%	69,000	51,105	74%	45%
591000 - Repairs	5,294	18,681	42,234	23,553	56%	59,625	40,944	69%	40%
601000 - IT - Data Processing	555	11,355		(11,355)	-100%		(11,355)	-100%	
602000 - IT - Communications	972	10,482	20,230	9,748	48%	28,560	18,078	63%	34%
603000 - IT Contractual Services and Re		7,778		(7,778)	-100%		(7,778)	-100%	
611000 - Professional Development	12,828	70,347	48,875	(21,472)	-44%	69,000	(1,347)	-2%	-31%
621000 - Operating Fees and Services	222	232,979	517,780	284,801	55%	730,983	498,005	68%	39%
623000 - Professional Fees and Services	516	26,009	22,000	(4,008)	-18%	31,059	5,050	16%	-13%
625000 - Medical, Dental and Optical			354	354	100%	500	500	100%	71%
Total 520000 - Operating Expenses	**39,761**	**734,420**	**1,550,154**	**815,733**	**53%**	**2,188,452**	**1,454,032**	**66%**	**37%**
691000 - Equipment Over $5000			179,208	179,208	100%	253,000	253,000	100%	71%
692000 - Motor Vehicles			94,445	94,445	100%	133,334	133,334	100%	71%
Total 681000 - Capital Assets			**273,653**	**273,653**	**100%**	**386,334**	**386,334**	**100%**	**71%**
712000 - Grants, Benefits & Claims	75,955	641,823	735,557	93,735	13%	1,038,434	396,611	38%	9%
722000 - Transfers Out			151,743	151,743	100%	214,225	214,225	100%	71%
Total 700000 - Grants, Refunds & Transfers	**75,955**	**641,823**	**887,300**	**245,478**	**28%**	**1,252,659**	**610,836**	**49%**	**20%**
Total Expenditures	**146,451**	**1,905,155**	**3,393,034**	**1,487,880**	**44%**	**4,790,166**	**2,885,012**	**60%**	**31%**
Expenditures by Source									
Total Federal Funds	146,451	1,905,155	3,394,738	1,489,583	44%	4,792,571	2,887,417	60%	
Total Special Funds			(1,704)	(1,704)	100%	(2,405)	(2,405)	100%	
Total Expenditures by Source	**146,451**	**1,905,155**	**3,393,034**	**1,487,880**	**44%**	**4,790,166**	**2,885,012**	**60%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-200-1 BCI - General Fund/ Spec Fund

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	425,530	7,097,064	7,265,493	168,429	2%	10,257,167	3,160,103	31%	2%
512000 - Salaries - Other	2,561	103,036	169,382	66,346	39%	239,127	136,091	57%	28%
513000 - Temporary Salaries	80	14,762	15,177	416	3%	21,427	6,665	31%	2%
514000 - Overtime	23,238	102,432	61,667	(40,765)	-66%	87,059	(15,373)	-18%	-47%
516000 - Fringe Benefits	180,985	3,058,167	3,314,792	256,626	8%	4,679,707	1,621,540	35%	5%
Total 510000 - Salaries and Benefits	**632,394**	**10,375,460**	**10,826,512**	**451,052**	**4%**	**15,284,487**	**4,909,027**	**32%**	**3%**
521000 - Travel	15,677	249,973	249,073	(900)	0%	351,633	101,660	29%	0%
531000 - Supplies - IT Software	(43)	16,265	10,625	(5,640)	-53%	15,000	(1,265)	-8%	-38%
532000 - Supply/Material - Professional	2,710	49,590	74,668	25,078	34%	105,414	55,824	53%	24%
533000 - Food and Clothing		23,618	29,569	5,951	20%	41,744	18,126	43%	14%
534000 - Bldg, Grounds, Vehicle Supply	5,200	79,254	88,704	9,450	11%	125,229	45,975	37%	8%
535000 - Miscellaneous Supplies	1,128	40,283	91,680	51,397	56%	129,431	89,148	69%	40%
536000 - Office Supplies	6,292	60,623	51,872	(8,751)	-17%	73,231	12,608	17%	-12%
541000 - Postage	2,562	25,518	46,231	20,713	45%	65,267	39,749	61%	32%
542000 - Printing	2,488	29,073	46,948	17,874	38%	66,279	37,206	56%	27%
551000 - IT Equipment under $5,000		650	708	58	8%	1,000	350	35%	6%
552000 - Other Equipment under $5,000	5,265	90,485	1,558,451	1,467,966	94%	2,200,166	2,109,681	96%	67%
553000 - Office Equip & Furniture-Under	3,342	26,385	43,339	16,954	39%	61,184	34,799	57%	28%
561000 - Utilities	61	575	2,479	1,904	77%	3,500	2,925	84%	54%
571000 - Insurance	9,786	31,199	43,346	12,147	28%	61,195	29,996	49%	20%
581000 - Rentals/Leases-Equipment&Other	805	5,931	160,463	154,532	96%	226,536	220,605	97%	68%
582000 - Rentals/Leases - Bldg/Land		492,139	659,773	167,634	25%	931,444	439,305	47%	18%
591000 - Repairs	7,232	234,466	122,559	(111,906)	-91%	173,025	(61,441)	-36%	-65%
601000 - IT - Data Processing	1,897	17,074	17,708	634	4%	25,000	7,926	32%	3%
602000 - IT - Communications	7,189	114,308	139,889	25,581	18%	197,491	83,183	42%	13%
611000 - Professional Development	1,903	63,386	94,687	31,301	33%	133,676	70,290	53%	23%
621000 - Operating Fees and Services	32,764	757,223	3,840,620	3,083,397	80%	5,422,052	4,664,829	86%	57%
623000 - Professional Fees and Services	3,557	78,991	63,117	(15,874)	-25%	89,106	10,115	11%	-18%
625000 - Medical, Dental and Optical			5,313	5,313	100%	7,500	7,500	100%	71%
Total 520000 - Operating Expenses	**109,816**	**2,487,010**	**7,441,823**	**4,954,813**	**67%**	**10,506,103**	**8,019,093**	**76%**	**47%**
691000 - Equipment Over $5000		7,293	71,933	64,640	90%	101,552	94,259	93%	64%
692000 - Motor Vehicles		285,696	311,430	25,735	8%	439,666	153,971	35%	6%
Total 681000 - Capital Assets		**292,989**	**383,363**	**90,374**	**24%**	**541,218**	**248,230**	**46%**	**17%**
712000 - Grants, Benefits & Claims	16,951	168,365	708,333	539,969	76%	1,000,000	831,635	83%	54%
Total 700000 - Grants, Refunds & Transfers	**16,951**	**168,365**	**708,333**	**539,969**	**76%**	**1,000,000**	**831,635**	**83%**	**54%**
Total Expenditures	**759,161**	**13,323,823**	**19,360,031**	**6,036,207**	**31%**	**27,331,808**	**14,007,985**	**51%**	**22%**
Expenditures by Source									
Total General Funds	705,126	12,611,958	14,223,404	1,611,447	11%	20,080,100	7,468,142	37%	
Total Special Funds	54,035	711,788	5,136,627	4,424,839	86%	7,251,708	6,539,920	90%	
Total Federal Funds		78		(78)			(78)		
Total Expenditures by Source	**759,161**	**13,323,823**	**19,360,031**	**6,036,207**	**31%**	**27,331,808**	**14,007,985**	**51%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-200 Bureau of Criminal Investigati

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	477,560	7,971,013	8,130,940	159,927	2%	11,478,974	3,507,961	31%	1%
512000 - Salaries - Other	2,500	103,536	169,382	65,846	39%	239,127	135,591	57%	28%
513000 - Temporary Salaries	14,227	175,525	214,217	38,692	18%	302,424	126,899	42%	13%
514000 - Overtime	25,945	204,621	238,154	33,534	14%	336,218	131,597	39%	10%
516000 - Fringe Benefits	208,819	3,518,381	3,826,868	308,487	8%	5,402,637	1,884,256	35%	6%
Total 510000 - Salaries and Benefits	**729,051**	**11,973,076**	**12,579,561**	**606,485**	**5%**	**17,759,380**	**5,786,304**	**33%**	**3%**
521000 - Travel	25,142	412,077	549,044	136,967	25%	775,121	363,044	47%	18%
531000 - Supplies - IT Software	(43)	56,174	10,625	(45,549)	-429%	15,000	(41,174)	-274%	-304%
532000 - Supply/Material - Professional	2,710	60,059	80,224	20,165	25%	113,257	53,198	47%	18%
533000 - Food and Clothing		23,982	34,244	10,261	30%	48,344	24,362	50%	21%
534000 - Bldg, Grounds, Vehicle Supply	8,399	130,595	210,679	80,083	38%	297,429	166,834	56%	27%
535000 - Miscellaneous Supplies	1,128	46,213	89,980	43,767	49%	127,031	80,818	64%	34%
536000 - Office Supplies	6,325	76,339	106,853	30,514	29%	150,851	74,512	49%	20%
541000 - Postage	2,562	25,538	69,103	43,564	63%	97,557	72,019	74%	45%
542000 - Printing	3,553	34,532	92,561	58,029	63%	130,674	96,142	74%	44%
551000 - IT Equipment under $5,000		7,251	708	(6,543)	-924%	1,000	(6,251)	-625%	-654%
552000 - Other Equipment under $5,000	5,265	91,709	1,806,966	1,715,257	95%	2,551,011	2,459,302	96%	67%
553000 - Office Equip & Furniture-Under	4,929	38,504	83,034	44,530	54%	117,224	78,720	67%	38%
561000 - Utilities	61	575	2,479	1,904	77%	3,500	2,925	84%	54%
571000 - Insurance	10,009	31,795	51,874	20,079	39%	73,234	41,439	57%	27%
581000 - Rentals/Leases-Equipment&Other	7,481	62,739	295,046	232,308	79%	416,536	353,797	85%	56%
582000 - Rentals/Leases - Bldg/Land		617,231	829,915	212,683	26%	1,171,644	554,413	47%	18%
591000 - Repairs	12,706	255,283	170,914	(84,368)	-49%	241,291	(13,992)	-6%	-35%
601000 - IT - Data Processing	2,452	28,429	17,708	(10,721)	-61%	25,000	(3,429)	-14%	-43%
602000 - IT - Communications	8,366	128,112	171,198	43,086	25%	241,691	113,579	47%	18%
603000 - IT Contractual Services and Re		7,778		(7,778)	-100%		(7,778)	-100%	
611000 - Professional Development	14,746	134,314	158,012	23,698	15%	223,076	88,762	40%	11%
621000 - Operating Fees and Services	33,080	990,895	4,361,308	3,370,413	77%	6,157,141	5,166,246	84%	55%
623000 - Professional Fees and Services	4,072	122,324	103,781	(18,542)	-18%	146,515	24,191	17%	-13%
625000 - Medical, Dental and Optical			5,667	5,667	100%	8,000	8,000	100%	71%
Total 520000 - Operating Expenses	**152,944**	**3,382,448**	**9,301,923**	**5,919,475**	**64%**	**13,132,127**	**9,749,679**	**74%**	**45%**
691000 - Equipment Over $5000		7,293	251,141	243,848	97%	354,552	347,259	98%	69%
692000 - Motor Vehicles		285,696	405,875	120,180	30%	573,000	287,305	50%	21%
Total 681000 - Capital Assets		**292,989**	**657,016**	**364,028**	**55%**	**927,552**	**634,564**	**68%**	**39%**
712000 - Grants, Benefits & Claims	95,344	1,800,326	2,436,539	636,213	26%	3,439,820	1,639,494	48%	18%
722000 - Transfers Out			151,743	151,743	100%	214,225	214,225	100%	71%
Total 700000 - Grants, Refunds & Transfers	**95,344**	**1,800,326**	**2,588,282**	**787,956**	**30%**	**3,654,045**	**1,853,719**	**51%**	**22%**
Total Expenditures	**977,340**	**17,448,839**	**25,126,782**	**7,677,943**	**31%**	**35,473,104**	**18,024,265**	**51%**	**22%**
Expenditures by Source									
Total General Funds	705,126	12,611,958	14,223,404	1,611,447	11%	20,080,100	7,468,142	37%	
Total Federal Funds	146,451	1,905,233	3,394,738	1,489,505	44%	4,792,571	2,887,339	60%	
Total Special Funds	125,763	2,931,649	7,508,640	4,576,991	61%	10,600,433	7,668,784	72%	
Total Expenditures by Source	**977,340**	**17,448,839**	**25,126,782**	**7,677,943**	**31%**	**35,473,104**	**18,024,265**	**51%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-19 Tobacco Diligent Enforcement

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel	797	18,464	32,158	13,695	43%	45,400	26,936	59%	30%
581000 - Rentals/Leases-Equipment&Other	2	172	2,479	2,307	93%	3,500	3,328	95%	66%
591000 - Repairs	1	67	354	287	81%	500	433	87%	57%
621000 - Operating Fees and Services		450	425	(25)	-6%	600	151	25%	-4%
623000 - Professional Fees and Services			106,250	106,250	100%	150,000	150,000	100%	71%
Total 520000 - Operating Expenses	**801**	**19,152**	**141,667**	**122,514**	**86%**	**200,000**	**180,848**	**90%**	**61%**
Total Expenditures	**801**	**19,152**	**141,667**	**122,514**	**86%**	**200,000**	**180,848**	**90%**	**61%**
Expenditures by Source									
Total General Funds	1	1		(1)			(1)		
Total Special Funds	800	19,151	141,667	122,515	86%	200,000	180,849	90%	
Total Expenditures by Source	**801**	**19,152**	**141,667**	**122,514**	**86%**	**200,000**	**180,848**	**90%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-18 Natural Rsrc & Indian Affairs

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent	50,465	820,477	847,184	26,707	3%	1,196,024	375,547	31%	2%
516000 - Fringe Benefits	18,005	299,539	299,772	233	0%	423,207	123,668	29%	0%
Total 510000 - Salaries and Benefits	**68,470**	**1,120,016**	**1,146,955**	**26,939**	**2%**	**1,619,231**	**499,215**	**31%**	**2%**
521000 - Travel		5,972	16,841	10,869	65%	23,775	17,803	75%	46%
532000 - Supply/Material - Professional	930	3,068	1,764	(1,304)	-74%	2,490	(578)	-23%	-52%
533000 - Food and Clothing			130	130	100%	183	183	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	166	1,109	3,238	2,128	66%	4,571	3,462	76%	47%
535000 - Miscellaneous Supplies		86	1,747	1,661	95%	2,466	2,380	97%	67%
536000 - Office Supplies	327	2,717	4,327	1,610	37%	6,108	3,391	56%	26%
541000 - Postage	6	996	2,644	1,648	62%	3,732	2,736	73%	44%
542000 - Printing	171	1,080	2,216	1,136	51%	3,128	2,048	65%	36%
552000 - Other Equipment under $5,000			899	899	100%	1,269	1,269	100%	71%
553000 - Office Equip & Furniture-Under		783	4,381	3,598	82%	6,185	5,402	87%	58%
561000 - Utilities	18	247	354	108	30%	500	253	51%	22%
571000 - Insurance	257	602	1,385	783	57%	1,955	1,353	69%	40%
581000 - Rentals/Leases-Equipment&Other	10	312	1,472	1,160	79%	2,078	1,766	85%	56%
582000 - Rentals/Leases - Bldg/Land		30,000	45,547	15,547	34%	64,301	34,301	53%	24%
591000 - Repairs	234	2,982	2,714	(268)	-10%	3,832	850	22%	-7%
602000 - IT - Communications	226	3,709	7,553	3,843	51%	10,663	6,954	65%	36%
611000 - Professional Development		4,299	8,115	3,816	47%	11,456	7,157	62%	33%
621000 - Operating Fees and Services	152	16,922	21,307	4,385	21%	30,081	13,159	44%	15%
623000 - Professional Fees and Services	42	4,776	14,701	9,925	68%	20,755	15,979	77%	48%
Total 520000 - Operating Expenses	**2,539**	**79,659**	**141,332**	**61,673**	**44%**	**199,528**	**119,869**	**60%**	**31%**
Total Expenditures	**71,009**	**1,199,675**	**1,288,288**	**88,613**	**7%**	**1,818,759**	**619,084**	**34%**	**5%**
Expenditures by Source									
Total General Funds	928	55,807	76,373	20,566	27%	107,821	52,014	48%	
Total Special Funds	70,081	1,143,867	1,211,914	68,047	6%	1,710,938	567,071	33%	
Total Expenditures by Source	**71,009**	**1,199,675**	**1,288,288**	**88,613**	**7%**	**1,818,759**	**619,084**	**34%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: (1701) Intellectual Property Attorney

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	13,182	221,415	220,829	(586)	0%	311,759	90,344	29%	0%
516000 - Fringe Benefits	2,947	59,269	59,804	534	1%	84,429	25,160	30%	1%
Total 510000 - Salaries and Benefits	**16,129**	**280,685**	**280,633**	**(51)**	**0%**	**396,188**	**115,503**	**29%**	**0%**
521000 - Travel	290	4,727	2,222	(2,504)	-113%	3,137	(1,590)	-51%	-80%
531000 - Supplies - IT Software			645	645	100%	911	911	100%	71%
532000 - Supply/Material - Professional		1,096	1,191	95	8%	1,681	585	35%	6%
534000 - Bldg, Grounds, Vehicle Supply		7	215	208	97%	303	296	98%	69%
535000 - Miscellaneous Supplies			373	373	100%	526	526	100%	71%
536000 - Office Supplies		146	579	434	75%	818	672	82%	53%
541000 - Postage		213	482	269	56%	681	468	69%	40%
542000 - Printing		487	978	491	50%	1,381	894	65%	36%
571000 - Insurance	34	44	77	33	43%	108	64	60%	30%
591000 - Repairs			312	312	100%	441	441	100%	71%
601000 - IT - Data Processing	73	661	2,119	1,457	69%	2,991	2,330	78%	49%
602000 - IT - Communications		536	1,598	1,062	66%	2,256	1,720	76%	47%
611000 - Professional Development		2,653	2,160	(493)	-23%	3,049	396	13%	-16%
621000 - Operating Fees and Services		1,790	1,985	195	10%	2,802	1,012	36%	7%
623000 - Professional Fees and Services			744	744	100%	1,050	1,050	100%	71%
Total 520000 - Operating Expenses	**397**	**12,359**	**15,679**	**3,320**	**21%**	**22,135**	**9,776**	**44%**	**15%**
Total Expenditures	**16,526**	**293,044**	**296,312**	**3,269**	**1%**	**418,323**	**125,279**	**30%**	**1%**
Expenditures by Source									
Total General Funds	16,526	293,044	296,312	3,269	1%	418,323	125,279	30%	
Total Expenditures by Source	**16,526**	**293,044**	**296,312**	**3,269**	**1%**	**418,323**	**125,279**	**30%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-17 State & Local Government

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	117,946	2,117,681	2,158,818	41,137	2%	3,047,743	930,062	31%	1%
513000 - Temporary Salaries		11,498	17,737	6,238	35%	25,040	13,542	54%	25%
516000 - Fringe Benefits	38,522	697,595	707,411	9,816	1%	998,698	301,103	30%	1%
Total 510000 - Salaries and Benefits	**156,468**	**2,826,775**	**2,883,966**	**57,191**	**2%**	**4,071,481**	**1,244,706**	**31%**	**1%**
521000 - Travel	430	39,476	52,226	12,750	24%	73,731	34,255	46%	17%
531000 - Supplies - IT Software			645	645	100%	911	911	100%	71%
532000 - Supply/Material - Professional		2,147	2,131	(16)	-1%	3,009	862	29%	-1%
533000 - Food and Clothing			203	203	100%	287	287	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	2	21	1,985	1,964	99%	2,803	2,782	99%	70%
535000 - Miscellaneous Supplies		9	1,477	1,467	99%	2,085	2,076	100%	70%
536000 - Office Supplies	34	4,157	4,991	834	17%	7,046	2,889	41%	12%
541000 - Postage	86	1,741	3,144	1,403	45%	4,439	2,698	61%	32%
542000 - Printing	96	3,254	6,151	2,897	47%	8,684	5,430	63%	33%
552000 - Other Equipment under $5,000			1,412	1,412	100%	1,993	1,993	100%	71%
553000 - Office Equip & Furniture-Under		4,633	10,847	6,214	57%	15,314	10,681	70%	41%
571000 - Insurance	583	1,863	6,330	4,467	71%	8,937	7,074	79%	50%
581000 - Rentals/Leases-Equipment&Other	99	1,701	9,167	7,466	81%	12,941	11,240	87%	58%
582000 - Rentals/Leases - Bldg/Land			531	531	100%	750	750	100%	71%
591000 - Repairs	26	450	7,569	7,118	94%	10,685	10,235	96%	67%
601000 - IT - Data Processing	73	661	2,119	1,457	69%	2,991	2,330	78%	49%
602000 - IT - Communications	567	10,910	20,112	9,203	46%	28,394	17,484	62%	32%
611000 - Professional Development		20,049	21,228	1,180	6%	29,969	9,921	33%	4%
621000 - Operating Fees and Services	392	33,193	44,121	10,927	25%	62,288	29,095	47%	18%
623000 - Professional Fees and Services		2,160	31,211	29,050	93%	44,062	41,902	95%	66%
Total 520000 - Operating Expenses	**2,388**	**126,428**	**227,601**	**101,173**	**44%**	**321,319**	**194,891**	**61%**	**31%**
Total Expenditures	**158,856**	**2,953,202**	**3,111,567**	**158,364**	**5%**	**4,392,800**	**1,439,598**	**33%**	**4%**
Expenditures by Source									
Total General Funds	146,486	2,681,836	2,774,307	92,470	3%	3,916,668	1,234,832	32%	
Total Special Funds	12,370	271,366	337,260	65,894	20%	476,132	204,766	43%	
Total Expenditures by Source	**158,856**	**2,953,202**	**3,111,567**	**158,364**	**5%**	**4,392,800**	**1,439,598**	**33%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-91 Arrest & Return Fugitives

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel		5,304	3,683	(1,622)	-44%	5,199	(105)	-2%	-31%
541000 - Postage		61	43	(18)	-41%	61	0	0%	-29%
621000 - Operating Fees and Services		2,327	1,700	(627)	-37%	2,400	73	3%	-26%
623000 - Professional Fees and Services		1,837	1,658	(179)	-11%	2,340	503	22%	-8%
Total 520000 - Operating Expenses		**9,529**	**7,083**	**(2,446)**	**-35%**	**10,000**	**471**	**5%**	**-24%**
Total Expenditures		**9,529**	**7,083**	**(2,446)**	**-35%**	**10,000**	**471**	**5%**	**-24%**
Expenditures by Source									
Total General Funds		9,529	7,083	(2,446)	-35%	10,000	471	5%	
Total Expenditures by Source		**9,529**	**7,083**	**(2,446)**	**-35%**	**10,000**	**471**	**5%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-10 Crim Reg Law Enforcement

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	15,703	254,568	263,071	8,504	3%	371,395	116,828	31%	2%
512000 - Salaries - Other	(0)	1,750		(1,750)	-100%		(1,750)	-100%	
516000 - Fringe Benefits	6,141	101,894	104,360	2,466	2%	147,332	45,438	31%	2%
Total 510000 - Salaries and Benefits	**21,844**	**358,212**	**367,432**	**9,220**	**3%**	**518,727**	**160,515**	**31%**	**2%**
521000 - Travel	253	2,604	26,599	23,996	90%	37,552	34,948	93%	64%
531000 - Supplies - IT Software		3,337	354	(2,983)	-842%	500	(2,837)	-567%	-597%
532000 - Supply/Material - Professional			613	613	100%	866	866	100%	71%
534000 - Bldg, Grounds, Vehicle Supply			372	372	100%	525	525	100%	71%
535000 - Miscellaneous Supplies			1,488	1,488	100%	2,100	2,100	100%	71%
536000 - Office Supplies	1	37	2,733	2,696	99%	3,859	3,822	99%	70%
541000 - Postage	8	140	1,153	1,013	88%	1,628	1,488	91%	62%
542000 - Printing	1	9	577	568	99%	814	805	99%	70%
551000 - IT Equipment under $5,000			921	921	100%	1,300	1,300	100%	71%
553000 - Office Equip & Furniture-Under		22		(22)	-100%		(22)	-100%	
571000 - Insurance	86	94	381	287	75%	538	444	83%	53%
581000 - Rentals/Leases-Equipment&Other	5	97	1,376	1,278	93%	1,942	1,845	95%	66%
582000 - Rentals/Leases - Bldg/Land			8,925	8,925	100%	12,600	12,600	100%	71%
591000 - Repairs	1	24	446	422	95%	630	606	96%	67%
601000 - IT - Data Processing	66	2,841	14,548	11,707	80%	20,538	17,697	86%	57%
602000 - IT - Communications	29	408	1,785	1,377	77%	2,520	2,112	84%	55%
611000 - Professional Development			4,463	4,463	100%	6,300	6,300	100%	71%
621000 - Operating Fees and Services		2,213	14,462	12,249	85%	20,417	18,204	89%	60%
623000 - Professional Fees and Services			3,051	3,051	100%	4,307	4,307	100%	71%
Total 520000 - Operating Expenses	**450**	**11,826**	**84,246**	**72,420**	**86%**	**118,936**	**107,110**	**90%**	**61%**
Total Expenditures	**22,294**	**370,038**	**451,678**	**81,640**	**18%**	**637,663**	**267,625**	**42%**	**13%**
Expenditures by Source									
Total General Funds	15,948	278,455	336,441	57,986	17%	474,975	196,520	41%	
Total Federal Funds	6,346	91,583	115,237	23,654	21%	162,688	71,105	44%	
Total Expenditures by Source	**22,294**	**370,038**	**451,678**	**81,640**	**18%**	**637,663**	**267,625**	**42%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-14 Prosecution Witness Fees

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
621000 - Operating Fees and Services	26	152,011	192,464	40,453	21%	271,714	119,703	44%	15%
Total 520000 - Operating Expenses	**26**	**152,011**	**192,464**	**40,453**	**21%**	**271,714**	**119,703**	**44%**	**15%**
Total Expenditures	**26**	**152,011**	**192,464**	**40,453**	**21%**	**271,714**	**119,703**	**44%**	**15%**
Expenditures by Source									
Total General Funds	26	152,011	192,464	40,453	21%	271,714	119,703	44%	
Total Expenditures by Source	**26**	**152,011**	**192,464**	**40,453**	**21%**	**271,714**	**119,703**	**44%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-16 Criminal & Regulatory

		Biennium to Date			Actual vs BTD		Total Budget	Percent Budget	Percent Remaining -
	Current Month	Actuals	Budget	(Over) / Under	Percent	Total Budget	Remaining	Remaining	Biennium
Expenditures									
511000 - Salaries - Permanent	42,235	748,055	758,609	10,553	1%	1,070,977	322,922	30%	1%
512000 - Salaries - Other	750	14,750	17,000	2,250	13%	24,000	9,250	39%	9%
516000 - Fringe Benefits	14,920	261,832	265,309	3,477	1%	374,554	112,722	30%	1%
Total 510000 - Salaries and Benefits	**57,905**	**1,024,637**	**1,040,918**	**16,281**	**2%**	**1,469,531**	**444,894**	**30%**	**1%**
521000 - Travel	207	9,094	9,554	460	5%	13,488	4,394	33%	3%
532000 - Supply/Material - Professional	133	1,484	1,372	(112)	-8%	1,937	453	23%	-6%
533000 - Food and Clothing			74	74	100%	104	104	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	15	15		(15)	-100%		(15)		-100%
535000 - Miscellaneous Supplies			626	626	100%	884	884	100%	71%
536000 - Office Supplies	18	2,715	3,462	748	22%	4,888	2,173	44%	15%
541000 - Postage	238	9,867	11,073	1,207	11%	15,633	5,766	37%	8%
542000 - Printing	307	2,491	3,241	749	23%	4,575	2,084	46%	16%
552000 - Other Equipment under $5,000			514	514	100%	725	725	100%	71%
553000 - Office Equip & Furniture-Under		1,594	1,461	(133)	-9%	2,063	469	23%	-6%
571000 - Insurance	206	526	791	264	33%	1,116	590	53%	24%
581000 - Rentals/Leases-Equipment&Other	94	2,137	2,754	618	22%	3,888	1,752	45%	16%
591000 - Repairs	27	636	1,360	724	53%	1,920	1,284	67%	38%
602000 - IT - Communications	173	2,888	5,304	2,416	46%	7,488	4,600	61%	32%
611000 - Professional Development	(533)	3,639	4,586	948	21%	6,475	2,836	44%	15%
621000 - Operating Fees and Services	247	13,604	14,179	576	4%	20,018	6,414	32%	3%
623000 - Professional Fees and Services		6,878	10,669	3,791	36%	15,062	8,184	54%	25%
Total 520000 - Operating Expenses	**1,132**	**57,566**	**71,020**	**13,454**	**19%**	**100,264**	**42,698**	**43%**	**13%**
Total Expenditures	**59,037**	**1,082,204**	**1,111,938**	**29,734**	**3%**	**1,569,795**	**487,591**	**31%**	**2%**
Expenditures by Source									
Total General Funds	52,416	939,827	960,623	20,796	2%	1,356,173	416,346	31%	
Total Federal Funds	6,518	101,715	91,972	(9,743)	-11%	129,843	28,128	22%	
Total Special Funds	103	40,662	59,343	18,681	31%	83,779	43,117	51%	
Total Expenditures by Source	**59,037**	**1,082,204**	**1,111,938**	**29,734**	**3%**	**1,569,795**	**487,591**	**31%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 4: (1501) Contracted Higher Ed Legal Ser

	Biennium to Date			Actual vs BTD	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium Remaining
	Actuals	Budget	(Over) / Under					
Expenditures								
521000 - Travel		106,250	106,250	1	150,000.00	150,000	1	71%
621000 - Operating Fees and Services		35,417	35,417	1	50,000.00	50,000	1	71%
623000 - Professional Fees and Services		197,169	197,169	1	278,356.00	278,356	1	71%
Total 520000 - Operating Expenses		**338,836**	**338,836**	**1**	**478,356.00**	**478,356**	**1**	**71%**
Total Expenditures		**338,836**	**338,836**	**1**	**478,356.00**	**478,356**	**1**	**71%**
Expenditures by Source								
Total General Funds		338,836	338,836	1	478,356.00	478,356	1	
Total Expenditures by Source		**338,836**	**338,836**	**1**	**478,356.00**	**478,356**	**1**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-12 Abortion Litigation Fees

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
603000 - IT Contractual Services and Re	(1,733)	-	1,275	1,275	100%	1,800	1,800	100%	71%
621000 - Operating Fees and Services		245,000	138,267	(106,733)	-77%	195,200	(49,800)	-26%	-55%
623000 - Professional Fees and Services		12,349	42,747	30,398	71%	60,349	48,000	80%	50%
Total 520000 - Operating Expenses	**(1,733)**	**257,349**	**182,289**	**(75,060)**	**-41%**	**257,349**	**0**	**0%**	**-29%**
Total Expenditures	**(1,733)**	**257,349**	**182,289**	**(75,060)**	**-41%**	**257,349**	**0**	**0%**	**-29%**
Expenditures by Source									
Total General Funds		257,349	182,289	(75,060)	-41%	257,349	0	0%	
Total Federal Funds	(1,733)	-		-			-		
Total Expenditures by Source	**(1,733)**	**257,349**	**182,289**	**(75,060)**	**-41%**	**257,349**	**0**	**0%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-11 Litigation Fees

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel	174	9,158	16,292	7,133	44%	23,000	13,842	60%	31%
621000 - Operating Fees and Services		500	1,417	917	65%	2,000	1,500	75%	46%
623000 - Professional Fees and Services		131,377	83,287	(48,090)	-58%	117,581	(13,796)	-12%	-41%
Total 520000 - Operating Expenses	**174**	**141,035**	**100,995**	**(40,040)**	**-40%**	**142,581**	**1,546**	**1%**	**-28%**
Total Expenditures	**174**	**141,035**	**100,995**	**(40,040)**	**-40%**	**142,581**	**1,546**	**1%**	**-28%**
Expenditures by Source									
Total General Funds	174	141,035	100,995	(40,040)	-40%	142,581	1,546	1%	
Total Expenditures by Source	**174**	**141,035**	**100,995**	**(40,040)**	**-40%**	**142,581**	**1,546**	**1%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-150-15 Civil Litigation

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	72,846	1,177,033	1,246,865	69,832	6%	1,760,280	583,247	33%	4%
513000 - Temporary Salaries			15,454	15,454	100%	21,818	21,818	100%	71%
516000 - Fringe Benefits	26,276	429,701	475,858	46,157	10%	671,800	242,099	36%	7%
Total 510000 - Salaries and Benefits	**99,122**	**1,606,734**	**1,738,178**	**131,444**	**8%**	**2,453,898**	**847,164**	**35%**	**5%**
521000 - Travel		5,488	141,815	136,327	96%	200,209	194,721	97%	68%
532000 - Supply/Material - Professional	1,195	3,786	3,643	(143)	-4%	5,143	1,357	26%	-3%
533000 - Food and Clothing			186	186	100%	263	263	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	277	1,750	4,980	3,230	65%	7,030	5,280	75%	46%
535000 - Miscellaneous Supplies		144	2,791	2,647	95%	3,940	3,796	96%	67%
536000 - Office Supplies	545	4,731	7,150	2,418	34%	10,094	5,363	53%	24%
541000 - Postage	336	3,543	5,397	1,854	34%	7,619	4,076	54%	24%
542000 - Printing	284	1,935	4,307	2,372	55%	6,081	4,146	68%	39%
552000 - Other Equipment under $5,000			1,284	1,284	100%	1,812	1,812	100%	71%
553000 - Office Equip & Furniture-Under		4,490	7,608	3,117	41%	10,740	6,250	58%	29%
561000 - Utilities	30	402	496	93	19%	700	298	43%	13%
571000 - Insurance	429	924	2,860	1,935	68%	4,037	3,113	77%	48%
581000 - Rentals/Leases-Equipment&Other	207	2,915	6,194	3,278	53%	8,744	5,829	67%	37%
582000 - Rentals/Leases - Bldg/Land		50,000	65,173	15,173	23%	92,009	42,009	46%	16%
591000 - Repairs	476	5,780	5,645	(136)	-2%	7,969	2,189	27%	-2%
602000 - IT - Communications	426	6,444	12,794	6,350	50%	18,062	11,618	64%	35%
611000 - Professional Development		4,742	14,240	9,498	67%	20,104	15,362	76%	47%
621000 - Operating Fees and Services	755	27,738	67,829	40,091	59%	95,759	68,021	71%	42%
623000 - Professional Fees and Services	42	16,093	219,644	203,550	93%	310,085	293,992	95%	66%
Total 520000 - Operating Expenses	**5,001**	**140,907**	**574,033**	**433,127**	**75%**	**810,400**	**669,493**	**83%**	**53%**
Total Expenditures	**104,123**	**1,747,640**	**2,312,211**	**564,571**	**24%**	**3,264,298**	**1,516,658**	**46%**	**17%**
Expenditures by Source									
Total General Funds	5,116	158,870	508,721	349,850	69%	718,194	559,324	78%	
Total Special Funds	99,007	1,588,770	1,803,490	214,720	12%	2,546,104	957,334	38%	
Total Expenditures by Source	**104,123**	**1,747,640**	**2,312,211**	**564,571**	**24%**	**3,264,298**	**1,516,658**	**46%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-150 Legal Services

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	299,195	5,117,814	5,274,547	156,733	3%	7,446,419	2,328,605	31%	2%
512000 - Salaries - Other	750	16,500	17,000	500	3%	24,000	7,500	31%	2%
513000 - Temporary Salaries		11,498	33,191	21,693	65%	46,858	35,360	75%	46%
516000 - Fringe Benefits	103,864	1,790,561	1,852,710	62,149	3%	2,615,591	825,030	32%	2%
Total 510000 - Salaries and Benefits	**403,809**	**6,936,373**	**7,177,448**	**241,075**	**3%**	**10,132,868**	**3,196,495**	**32%**	**2%**
521000 - Travel	1,861	95,560	299,167	203,607	68%	422,354	326,794	77%	48%
531000 - Supplies - IT Software		3,337	999	(2,338)	-234%	1,411	(1,926)	-137%	-166%
532000 - Supply/Material - Professional	2,258	10,484	9,524	(961)	-10%	13,445	2,961	22%	-7%
533000 - Food and Clothing			593	593	100%	837	837	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	460	2,895	10,575	7,680	73%	14,929	12,034	81%	51%
535000 - Miscellaneous Supplies		239	8,128	7,889	97%	11,475	11,236	98%	69%
536000 - Office Supplies	924	14,358	22,663	8,306	37%	31,995	17,637	55%	26%
541000 - Postage	674	16,347	23,454	7,108	30%	33,112	16,765	51%	21%
542000 - Printing	859	8,769	16,491	7,722	47%	23,282	14,513	62%	33%
551000 - IT Equipment under $5,000			921	921	100%	1,300	1,300	100%	71%
552000 - Other Equipment under $5,000			4,108	4,108	100%	5,799	5,799	100%	71%
553000 - Office Equip & Furniture-Under		11,523	24,297	12,775	53%	34,302	22,779	66%	37%
561000 - Utilities	48	649	850	201	24%	1,200	551	46%	17%
571000 - Insurance	1,560	4,009	11,746	7,737	66%	16,583	12,574	76%	47%
581000 - Rentals/Leases-Equipment&Other	417	7,334	23,441	16,106	69%	33,093	25,759	78%	49%
582000 - Rentals/Leases - Bldg/Land		80,000	120,176	40,176	33%	169,660	89,660	53%	24%
591000 - Repairs	765	9,940	18,088	8,148	45%	25,536	15,596	61%	32%
601000 - IT - Data Processing	140	3,502	16,666	13,164	79%	23,529	20,027	85%	56%
602000 - IT - Communications	1,421	24,359	47,548	23,190	49%	67,127	42,768	64%	35%
603000 - IT Contractual Services and Re	(1,733)	-	1,275	1,275	100%	1,800	1,800	100%	71%
611000 - Professional Development	(533)	32,728	52,632	19,904	38%	74,304	41,576	56%	27%
621000 - Operating Fees and Services	1,572	493,959	496,171	2,212	0%	700,477	206,518	29%	0%
623000 - Professional Fees and Services	83	175,470	513,217	337,746	66%	724,541	549,071	76%	47%
Total 520000 - Operating Expenses	**10,777**	**995,462**	**1,722,731**	**727,269**	**42%**	**2,432,091**	**1,436,629**	**59%**	**30%**
Total Expenditures	**414,586**	**7,931,836**	**8,900,179**	**968,344**	**11%**	**12,564,959**	**4,633,123**	**37%**	**8%**
Expenditures by Source									
Total General Funds	221,094	4,674,721	5,139,295	464,574	9%	7,255,475	2,580,754	36%	
Total Federal Funds	11,131	193,298	207,209	13,912	7%	292,531	99,233	34%	
Total Special Funds	182,361	3,063,817	3,553,675	489,858	14%	5,016,953	1,953,136	39%	
Total Expenditures by Source	**414,586**	**7,931,836**	**8,900,179**	**968,344**	**11%**	**12,564,959**	**4,633,123**	**37%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-130 Payroll Clearing

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	-	1,000	27,383	26,383	96%	38,659	37,659	97%	68%
516000 - Fringe Benefits	209	408	(3,544)	(3,952)	112%	(5,003)	(5,411)	108%	79%
Total 510000 - Salaries and Benefits	**209**	**1,408**	**23,840**	**22,432**	**94%**	**33,656**	**32,248**	**96%**	**67%**
Total Expenditures	**209**	**1,408**	**23,840**	**22,432**	**94%**	**33,656**	**32,248**	**96%**	**67%**
Expenditures by Source									
Total General Funds	209	1,408	82,748	81,340	98%	116,821	115,413	99%	
Total Federal Funds			(220,423)	(220,423)	100%	(311,186)	(311,186)	100%	
Total Special Funds			161,515	161,515	100%	228,021	228,021	100%	
Total Expenditures by Source	**209**	**1,408**	**23,840**	**22,432**	**94%**	**33,656**	**32,248**	**96%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-110 AG Administration

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	24,225	511,879	543,042	31,163	6%	766,647	254,768	33%	4%
513000 - Temporary Salaries	7,500	80,357	62,333	(18,024)	-29%	88,000	7,643	9%	-20%
516000 - Fringe Benefits	9,109	178,356	180,470	2,113	1%	254,781	76,425	30%	1%
Total 510000 - Salaries and Benefits	**40,835**	**770,592**	**785,845**	**15,253**	**2%**	**1,109,428**	**338,836**	**31%**	**1%**
521000 - Travel	1,470	17,240	50,258	33,017	66%	70,952	53,712	76%	47%
531000 - Supplies - IT Software		290		(290)	-100%		(290)	-100%	0%
532000 - Supply/Material - Professional	668	12,989	10,767	(2,222)	-21%	15,200	2,211	15%	-15%
533000 - Food and Clothing			142	142	100%	200	200	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	1	152	142	(11)	-7%	200	48	24%	-5%
535000 - Miscellaneous Supplies			1,417	1,417	100%	2,000	2,000	100%	71%
536000 - Office Supplies	318	2,407	4,250	1,843	43%	6,000	3,593	60%	31%
541000 - Postage	128	1,111	2,833	1,722	61%	4,000	2,889	72%	43%
542000 - Printing	20	539	2,267	1,728	76%	3,200	2,661	83%	54%
552000 - Other Equipment under $5,000			708	708	100%	1,000	1,000	100%	71%
553000 - Office Equip & Furniture-Under			10,332	10,332	100%	14,586	14,586	100%	71%
571000 - Insurance	137	372	567	195	34%	800	428	54%	24%
581000 - Rentals/Leases-Equipment&Other	63	1,552	2,833	1,281	45%	4,000	2,448	61%	32%
582000 - Rentals/Leases - Bldg/Land		-	708	708	100%	1,000	1,000	100%	71%
591000 - Repairs	19	501	708	207	29%	1,000	499	50%	21%
602000 - IT - Communications	256	4,447	8,500	4,053	48%	12,000	7,553	63%	34%
611000 - Professional Development	1,040	35,065	40,942	5,877	14%	57,800	22,735	39%	10%
621000 - Operating Fees and Services	36	4,805	8,178	3,372	41%	11,545	6,740	58%	29%
623000 - Professional Fees and Services		8,175	8,500	325	4%	12,000	3,825	32%	3%
Total 520000 - Operating Expenses	**4,156**	**89,646**	**154,050**	**64,405**	**42%**	**217,483**	**127,837**	**59%**	**30%**
Total Expenditures	**44,991**	**860,238**	**939,895**	**79,658**	**8%**	**1,326,911**	**466,673**	**35%**	**6%**
Expenditures by Source									
Total General Funds	44,275	850,960	899,325	48,365	5%	1,269,636	418,676	33%	
Total Federal Funds			5,825	5,825	100%	8,223	8,223	100%	
Total Special Funds	715	9,278	34,745	25,468	73%	49,052	39,774	81%	
Total Expenditures by Source	**44,991**	**860,238**	**939,895**	**79,658**	**8%**	**1,326,911**	**466,673**	**35%**	

4/2

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-105-17 IT-Carryover Funds

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
531000 - Supplies - IT Software		56,510	245,083	188,573	77%	346,000	289,490	84%	55%
551000 - IT Equipment under $5,000		4,835	4,250	(585)	-14%	6,000	1,165	19%	-10%
603000 - IT Contractual Services and Re	99,266	1,224,984	821,667	(403,317)	-49%	1,160,000	(64,984)	-6%	-35%
623000 - Professional Fees and Services		6,735	5,667	(1,068)	-19%	8,000	1,265	16%	-13%
Total 520000 - Operating Expenses	**99,266**	**1,293,064**	**1,076,667**	**(216,397)**	**-20%**	**1,520,000**	**226,936**	**15%**	**-14%**
Total Expenditures	**99,266**	**1,293,064**	**1,076,667**	**(216,397)**	**-20%**	**1,520,000**	**226,936**	**15%**	**-14%**
Expenditures by Source									
Total Special Funds	99,266	1,293,064	1,076,667	(216,397)	-20%	1,520,000	226,936	15%	
Total Expenditures by Source	**99,266**	**1,293,064**	**1,076,667**	**(216,397)**	**-20%**	**1,520,000**	**226,936**	**15%**	

H3

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-105-13 IT- Special Funds

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel	1,923	9,663	37,683	28,020	74%	53,200	43,537	82%	53%
531000 - Supplies - IT Software	4,169	163,264	400,196	236,932	59%	564,982	401,718	71%	42%
551000 - IT Equipment under $5,000		16,931	97,624	80,693	83%	137,822	120,891	88%	59%
553000 - Office Equip & Furniture-Under			27,979	27,979	100%	39,500	39,500	100%	71%
571000 - Insurance	1,212	1,279	9,279	8,000	86%	13,100	11,821	90%	61%
582000 - Rentals/Leases - Bldg/Land		76,979	60,057	(16,921)	-28%	84,787	7,808	9%	-20%
591000 - Repairs	186	5,339	17,000	11,661	69%	24,000	18,661	78%	49%
601000 - IT - Data Processing	14,145	149,164	155,709	6,545	4%	219,824	70,660	32%	3%
602000 - IT - Communications	303	2,970	9,435	6,465	69%	13,320	10,350	78%	49%
603000 - IT Contractual Services and Re	108,677	912,524	833,037	(79,487)	-10%	1,176,052	263,528	22%	-7%
611000 - Professional Development	150	772	1,417	645	45%	2,000	1,228	61%	32%
621000 - Operating Fees and Services	183	1,158	232,514	231,356	100%	328,255	327,097	100%	70%
623000 - Professional Fees and Services		-	49,229	49,229	100%	69,500	69,500	100%	71%
Total 520000 - Operating Expenses	**130,947**	**1,340,042**	**1,931,159**	**591,117**	**31%**	**2,726,342**	**1,386,300**	**51%**	**22%**
Total Expenditures	**130,947**	**1,340,042**	**1,931,159**	**591,117**	**31%**	**2,726,342**	**1,386,300**	**51%**	**22%**
Expenditures by Source									
Total Special Funds	130,947	1,337,496	1,931,159	593,663	31%	2,726,342	1,388,846	51%	
Total General Funds		2,547		(2,547)			(2,547)		
Total Expenditures by Source	**130,947**	**1,340,042**	**1,931,159**	**591,117**	**31%**	**2,726,342**	**1,386,300**	**51%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-105-12 IT-Federal Funds

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
521000 - Travel		1,408	1,706	298	17%	2,409	1,001	42%	12%
531000 - Supplies - IT Software		21,370	175,106	153,736	88%	247,208	225,838	91%	62%
551000 - IT Equipment under $5,000		33,444	95,707	62,263	65%	135,116	101,672	75%	46%
601000 - IT - Data Processing	395	5,967	1,771	(4,196)	-237%	2,500	(3,467)	-139%	-168%
603000 - IT Contractual Services and Re	28,294	268,908	428,930	160,021	37%	605,548	336,639	56%	26%
Total 520000 - Operating Expenses	**28,689**	**331,097**	**703,220**	**372,122**	**53%**	**992,781**	**661,683**	**67%**	**37%**
693000 - IT Equip / Software Over $5000			168,323	168,323	100%	237,632	237,632	100%	71%
Total 681000 - Capital Assets			**168,323**	**168,323**	**100%**	**237,632**	**237,632**	**100%**	**71%**
Total Expenditures	**28,689**	**331,097**	**871,542**	**540,445**	**62%**	**1,230,413**	**899,315**	**73%**	**44%**
Expenditures by Source									
Total Federal Funds	28,689	331,097	871,542	540,445	62%	1,230,413	899,315	73%	
Total Expenditures by Source	**28,689**	**331,097**	**871,542**	**540,445**	**62%**	**1,230,413**	**899,315**	**73%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: 125-105-11 IT-General Fund

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	74,793	1,238,043	1,299,543	61,500	5%	1,834,649	596,606	33%	3%
513000 - Temporary Salaries		4,190	5,451	1,261	23%	7,696	3,506	46%	16%
514000 - Overtime			1,771	1,771	100%	2,500	2,500	100%	71%
516000 - Fringe Benefits	29,690	495,783	528,510	32,727	6%	746,132	250,349	34%	4%
Total 510000 - Salaries and Benefits	**104,483**	**1,738,016**	**1,835,275**	**97,259**	**5%**	**2,590,977**	**852,961**	**33%**	**4%**
521000 - Travel	1,229	8,526	17,142	8,616	50%	24,200	15,674	65%	36%
531000 - Supplies - IT Software	5,646	414,344	483,465	69,121	14%	682,539	268,195	39%	10%
532000 - Supply/Material - Professional		5,358	7,792	2,433	31%	11,000	5,642	51%	22%
534000 - Bldg, Grounds, Vehicle Supply		4	354	350	99%	500	496	99%	70%
535000 - Miscellaneous Supplies	15	250	992	742	75%	1,400	1,150	82%	53%
536000 - Office Supplies	54	1,054	1,169	115	10%	1,650	596	36%	7%
541000 - Postage			354	354	100%	500	500	100%	71%
542000 - Printing	7	467	460	(6)	-1%	650	183	28%	-1%
551000 - IT Equipment under $5,000		109,394	153,466	44,072	29%	216,658	107,264	50%	20%
553000 - Office Equip & Furniture-Under		2,141	4,604	2,463	53%	6,500	4,359	67%	38%
571000 - Insurance	519	1,807	3,896	2,089	54%	5,500	3,693	67%	38%
581000 - Rentals/Leases-Equipment&Other			888	888	100%	1,253	1,253	100%	71%
582000 - Rentals/Leases - Bldg/Land		19,152	130,568	111,416	85%	184,331	165,179	90%	60%
591000 - Repairs	114	6,877	10,625	3,748	35%	15,000	8,123	54%	25%
601000 - IT - Data Processing	26,065	387,627	505,855	118,228	23%	714,148	326,521	46%	17%
602000 - IT - Communications	616	13,363	19,176	5,813	30%	27,072	13,709	51%	21%
603000 - IT Contractual Services and Re	44,083	290,293	398,520	108,227	27%	562,617	272,324	48%	19%
611000 - Professional Development	2,845	15,625	17,000	1,375	8%	24,000	8,375	35%	6%
621000 - Operating Fees and Services	14	165	24,675	24,510	99%	34,835	34,670	100%	70%
623000 - Professional Fees and Services	2,183	2,183	4,250	2,067	49%	6,000	3,817	64%	34%
Total 520000 - Operating Expenses	**83,390**	**1,278,628**	**1,785,250**	**506,622**	**28%**	**2,520,353**	**1,241,725**	**49%**	**20%**
Total Expenditures	**187,873**	**3,016,645**	**3,620,525**	**603,881**	**17%**	**5,111,330**	**2,094,685**	**41%**	**12%**
Expenditures by Source									
Total General Funds	187,873	3,016,645	3,620,525	603,881	17%	5,111,330	2,094,685	41%	
Total Expenditures by Source	**187,873**	**3,016,645**	**3,620,525**	**603,881**	**17%**	**5,111,330**	**2,094,685**	**41%**	

4/6

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-105 Information Technology

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	74,793	1,238,043	1,299,543	61,500	5%	1,834,649	596,606	33%	3%
513000 - Temporary Salaries		4,190	5,451	1,261	23%	7,696	3,506	46%	16%
514000 - Overtime			1,771	1,771	100%	2,500	2,500	100%	71%
516000 - Fringe Benefits	29,690	495,783	528,510	32,727	6%	746,132	250,349	34%	4%
Total 510000 - Salaries and Benefits	**104,483**	**1,738,016**	**1,835,275**	**97,259**	**5%**	**2,590,977**	**852,961**	**33%**	**4%**
521000 - Travel	3,152	19,597	56,531	36,934	65%	79,809	60,212	75%	46%
531000 - Supplies - IT Software	9,815	655,488	1,303,850	648,361	50%	1,840,729	1,185,241	64%	35%
532000 - Supply/Material - Professional		5,358	7,792	2,433	31%	11,000	5,642	51%	22%
534000 - Bldg, Grounds, Vehicle Supply		4	354	350	99%	500	496	99%	70%
535000 - Miscellaneous Supplies	15	250	992	742	75%	1,400	1,150	82%	53%
536000 - Office Supplies	54	1,054	1,169	115	10%	1,650	596	36%	7%
541000 - Postage			354	354	100%	500	500	100%	71%
542000 - Printing	7	467	460	(6)	-1%	650	183	28%	-1%
551000 - IT Equipment under $5,000		164,604	351,047	186,444	53%	495,596	330,992	67%	38%
553000 - Office Equip & Furniture-Under		2,141	32,583	30,442	93%	46,000	43,859	95%	66%
571000 - Insurance	1,731	3,086	13,175	10,089	77%	18,600	15,514	83%	54%
581000 - Rentals/Leases-Equipment&Other			888	888	100%	1,253	1,253	100%	71%
582000 - Rentals/Leases - Bldg/Land		96,130	190,625	94,495	50%	269,118	172,988	64%	35%
591000 - Repairs	300	12,216	27,625	15,409	56%	39,000	26,784	69%	40%
601000 - IT - Data Processing	40,605	542,758	663,334	120,577	18%	936,472	393,714	42%	13%
602000 - IT - Communications	919	16,333	28,611	12,278	43%	40,392	24,059	60%	30%
603000 - IT Contractual Services and Re	280,319	2,696,709	2,482,154	(214,556)	-9%	3,504,217	807,507	23%	-6%
611000 - Professional Development	2,995	16,397	18,417	2,020	11%	26,000	9,603	37%	8%
621000 - Operating Fees and Services	197	1,323	257,189	255,866	99%	363,090	361,767	100%	70%
623000 - Professional Fees and Services	2,183	8,918	59,146	50,228	85%	83,500	74,582	89%	60%
Total 520000 - Operating Expenses	**342,292**	**4,242,832**	**5,496,295**	**1,253,463**	**23%**	**7,759,476**	**3,516,644**	**45%**	**16%**
693000 - IT Equip / Software Over $5000			168,323	168,323	100%	237,632	237,632	100%	71%
Total 681000 - Capital Assets			**168,323**	**168,323**	**100%**	**237,632**	**237,632**	**100%**	**71%**
Total Expenditures	**446,775**	**5,980,848**	**7,499,893**	**1,519,045**	**20%**	**10,588,085**	**4,607,236**	**44%**	**14%**
Expenditures by Source									
Total General Funds	187,873	3,019,191	3,620,525	601,334	17%	5,111,330	2,092,139	41%	
Total Special Funds	230,213	2,630,560	3,007,826	377,266	13%	4,246,342	1,615,782	38%	
Total Federal Funds	28,689	331,097	871,542	540,445	62%	1,230,413	899,315	73%	
Total Expenditures by Source	**446,775**	**5,980,848**	**7,499,893**	**1,519,045**	**20%**	**10,588,085**	**4,607,236**	**44%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: (1034) CJIS Federal Projects

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
531000 - Supplies - IT Software	25,000	25,000	35,417	10,417	29%	50,000	25,000	50%	21%
601000 - IT - Data Processing			70,833	70,833	100%	100,000	100,000	100%	71%
603000 - IT Contractual Services and Re	3,102	43,097	354,167	311,070	88%	500,000	456,903	91%	62%
Total 520000 - Operating Expenses	**28,102**	**68,097**	**460,417**	**392,320**	**85%**	**650,000**	**581,903**	**90%**	**60%**
Total Expenditures	**28,102**	**68,097**	**460,417**	**392,320**	**85%**	**650,000**	**581,903**	**90%**	**60%**
Expenditures by Source									
Total Federal Funds	28,102	64,290	460,417	396,127	86%	650,000	585,710	90%	
Total General Funds		3,807		(3,807)			(3,807)		
Total Expenditures by Source	**28,102**	**68,097**	**460,417**	**392,320**	**85%**	**650,000**	**581,903**	**90%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: (1033) CJIS Carryover Projects

	Biennium to Date			Actual vs BTD	Total Budget	Total Budget Remaining	Percent Budget Remaining	Biennium Remaining
	Actuals	Budget	(Over) / Under					
Expenditures								
601000 - IT - Data Processing	900		(900)	-100%		(900)	-100%	
Total 520000 - Operating Expenses	**900**		**(900)**			**(900)**		
Total Expenditures	**900**		**(900)**			**(900)**		
Expenditures by Source								
Total General Funds	900		(900)			(900)		
Total Expenditures by Source	**900**		**(900)**			**(900)**		

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: (1031) CJIS Projects

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
591000 - Repairs			22,274	22,274	100%	31,446	31,446	100%	71%
601000 - IT - Data Processing		11,399	7,083	(4,315)	-61%	10,000	(1,399)	-14%	-43%
603000 - IT Contractual Services and Re	19,428	353,796	856,059	502,263	59%	1,208,554	854,758	71%	42%
Total 520000 - Operating Expenses	**19,428**	**365,195**	**885,417**	**520,222**	**59%**	**1,250,000**	**884,805**	**71%**	**42%**
Total Expenditures	**19,428**	**365,195**	**885,417**	**520,222**	**59%**	**1,250,000**	**884,805**	**71%**	**42%**
Expenditures by Source									
Total General Funds	19,428	365,195	885,417	520,222	59%	1,250,000	884,805	71%	
Total Expenditures by Source	**19,428**	**365,195**	**885,417**	**520,222**	**59%**	**1,250,000**	**884,805**	**71%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 3: (1030) CJIS Operations

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	28,727	524,479	579,349	54,870	9%	817,904	293,425	36%	7%
513000 - Temporary Salaries	1,189	23,531	35,700	12,169	34%	50,400	26,869	53%	24%
514000 - Overtime		8,267	7,083	(1,183)	-17%	10,000	1,733	17%	-12%
516000 - Fringe Benefits	11,877	206,068	237,746	31,679	13%	335,642	129,574	39%	9%
Total 510000 - Salaries and Benefits	**41,793**	**762,344**	**859,878**	**97,535**	**11%**	**1,213,946**	**451,602**	**37%**	**8%**
521000 - Travel	117	26,303	48,424	22,120	46%	68,363	42,060	62%	32%
531000 - Supplies - IT Software	44,844	552,951	725,958	173,007	24%	1,024,882	471,931	46%	17%
532000 - Supply/Material - Professional		160	1,016	856	84%	1,435	1,275	89%	60%
534000 - Bldg, Grounds, Vehicle Supply		262	354	92	26%	500	238	48%	18%
535000 - Miscellaneous Supplies		575	6,870	6,295	92%	9,699	9,124	94%	65%
536000 - Office Supplies		4,233	4,420	187	4%	6,240	2,007	32%	3%
541000 - Postage	1	1,221	5,338	4,117	77%	7,536	6,315	84%	55%
542000 - Printing	328	667	3,003	2,336	78%	4,240	3,573	84%	55%
551000 - IT Equipment under $5,000			7,855	7,855	100%	11,089	11,089	100%	71%
552000 - Other Equipment under $5,000			3,163	3,163	100%	4,466	4,466	100%	71%
553000 - Office Equip & Furniture-Under		1,534	2,311	776	34%	3,262	1,728	53%	24%
571000 - Insurance	206	315	2,068	1,753	85%	2,920	2,605	89%	60%
581000 - Rentals/Leases-Equipment&Other		44	71	27	38%	100	56	56%	27%
582000 - Rentals/Leases - Bldg/Land	2,631	47,354	52,629	5,276	10%	74,300	26,947	36%	7%
591000 - Repairs	495	29,450	7,083	(22,367)	-316%	10,000	(19,450)	-195%	-224%
601000 - IT - Data Processing	25,019	488,538	647,886	159,347	25%	914,662	426,124	47%	17%
602000 - IT - Communications	401	7,063	17,096	10,034	59%	24,136	17,073	71%	42%
603000 - IT Contractual Services and Re	3,389	8,714	(174,527)	(183,240)	105%	(246,391)	(255,105)	104%	74%
611000 - Professional Development	15	10,751	17,743	6,993	39%	25,049	14,299	57%	28%
621000 - Operating Fees and Services		2,151	26,461	24,310	92%	37,357	35,206	94%	65%
623000 - Professional Fees and Services	158	8,949	8,334	(614)	-7%	11,766	2,818	24%	-5%
Total 520000 - Operating Expenses	**77,603**	**1,191,234**	**1,413,558**	**222,323**	**16%**	**1,995,611**	**804,377**	**40%**	**11%**
Total Expenditures	**119,396**	**1,953,578**	**2,273,436**	**319,858**	**14%**	**3,209,557**	**1,255,979**	**39%**	**10%**
Expenditures by Source									
Total General Funds	119,396	1,953,578	2,066,970	113,392	5%	2,918,075	964,497	33%	
Total Special Funds			206,466	206,466	100%	291,482	291,482	100%	
Total Expenditures by Source	**119,396**	**1,953,578**	**2,273,436**	**319,858**	**14%**	**3,209,557**	**1,255,979**	**39%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-103 Criminal Justice Info Sharing

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	28,727	524,479	579,349	54,870	9%	817,904	293,425	36%	7%
513000 - Temporary Salaries	1,189	23,531	35,700	12,169	34%	50,400	26,869	53%	24%
514000 - Overtime		8,267	7,083	(1,183)	-17%	10,000	1,733	17%	-12%
516000 - Fringe Benefits	11,877	206,068	237,746	31,679	13%	335,642	129,574	39%	9%
Total 510000 - Salaries and Benefits	**41,793**	**762,344**	**859,878**	**97,535**	**11%**	**1,213,946**	**451,602**	**37%**	**8%**
521000 - Travel	117	26,303	48,424	22,120	46%	68,363	42,060	62%	32%
531000 - Supplies - IT Software	69,844	577,951	761,375	183,423	24%	1,074,882	496,931	46%	17%
532000 - Supply/Material - Professional		160	1,016	856	84%	1,435	1,275	89%	60%
534000 - Bldg, Grounds, Vehicle Supply		262	354	92	26%	500	238	48%	18%
535000 - Miscellaneous Supplies		575	6,870	6,295	92%	9,699	9,124	94%	65%
536000 - Office Supplies		4,233	4,420	187	4%	6,240	2,007	32%	3%
541000 - Postage	1	1,221	5,338	4,117	77%	7,536	6,315	84%	55%
542000 - Printing	328	667	3,003	2,336	78%	4,240	3,573	84%	55%
551000 - IT Equipment under $5,000			7,855	7,855	100%	11,089	11,089	100%	71%
552000 - Other Equipment under $5,000			3,163	3,163	100%	4,466	4,466	100%	71%
553000 - Office Equip & Furniture-Under		1,534	2,311	776	34%	3,262	1,728	53%	24%
571000 - Insurance	206	315	2,068	1,753	85%	2,920	2,605	89%	60%
581000 - Rentals/Leases-Equipment&Other		44	71	27	38%	100	56	56%	27%
582000 - Rentals/Leases - Bldg/Land	2,631	47,354	52,629	5,276	10%	74,300	26,947	36%	7%
591000 - Repairs	495	29,450	29,358	(92)	0%	41,446	11,996	29%	0%
601000 - IT - Data Processing	25,019	500,837	725,802	224,965	31%	1,024,662	523,825	51%	22%
602000 - IT - Communications	401	7,063	17,096	10,034	59%	24,136	17,073	71%	42%
603000 - IT Contractual Services and Re	25,918	405,606	1,035,699	630,092	61%	1,462,163	1,056,557	72%	43%
611000 - Professional Development	15	10,751	17,743	6,993	39%	25,049	14,299	57%	28%
621000 - Operating Fees and Services		2,151	26,461	24,310	92%	37,357	35,206	94%	65%
623000 - Professional Fees and Services	158	8,949	8,334	(614)	-7%	11,766	2,818	24%	-5%
Total 520000 - Operating Expenses	**125,132**	**1,625,426**	**2,759,391**	**1,133,965**	**41%**	**3,895,611**	**2,270,185**	**58%**	**29%**
Total Expenditures	**166,926**	**2,387,770**	**3,619,270**	**1,231,500**	**34%**	**5,109,557**	**2,721,787**	**53%**	**24%**
Expenditures by Source									
Total General Funds	138,824	2,323,480	2,952,386	628,906	21%	4,168,075	1,844,595	44%	
Total Federal Funds	28,102	64,290	460,417	396,127	86%	650,000	585,710	90%	
Total Special Funds			206,466	206,466	100%	291,482	291,482	100%	
Total Expenditures by Source	**166,926**	**2,387,770**	**3,619,270**	**1,231,500**	**34%**	**5,109,557**	**2,721,787**	**53%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29%

Run Date: Dec 11, 2016
4911CC

Level 2: 125-100 Finance and Administration

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	65,904	1,136,715	1,213,147	76,431	6%	1,712,678	575,963	34%	4%
513000 - Temporary Salaries	576	24,530	17,958	(6,572)	-37%	25,352	822	3%	-26%
516000 - Fringe Benefits	29,093	496,612	529,604	32,992	6%	747,676	251,064	34%	4%
Total 510000 - Salaries and Benefits	**95,573**	**1,657,857**	**1,760,708**	**102,851**	**6%**	**2,485,706**	**827,849**	**33%**	**4%**
521000 - Travel	62	7,097	14,875	7,778	52%	21,000	13,903	66%	37%
532000 - Supply/Material - Professional		81	14,670	14,588	99%	20,710	20,629	100%	70%
533000 - Food and Clothing			460	460	100%	650	650	100%	71%
534000 - Bldg, Grounds, Vehicle Supply	111	1,270	2,488	1,218	49%	3,513	2,243	64%	35%
535000 - Miscellaneous Supplies		205	7,884	7,679	97%	11,131	10,926	98%	69%
536000 - Office Supplies	1,212	7,162	10,283	3,121	30%	14,517	7,355	51%	22%
541000 - Postage	148	2,158	3,683	1,525	41%	5,200	3,042	58%	29%
542000 - Printing	175	1,919	3,542	1,623	46%	5,000	3,081	62%	32%
553000 - Office Equip & Furniture-Under		9,341	28,289	18,949	67%	39,938	30,597	77%	47%
561000 - Utilities	12	165	213	48	23%	300	135	45%	16%
571000 - Insurance	(10,348)	1,311	3,542	2,230	63%	5,000	3,689	74%	45%
581000 - Rentals/Leases-Equipment&Other	74	2,462	9,208	6,747	73%	13,000	10,538	81%	52%
582000 - Rentals/Leases - Bldg/Land		20,000	45,037	25,037	56%	63,581	43,581	69%	39%
591000 - Repairs	174	3,084	5,313	2,228	42%	7,500	4,416	59%	30%
602000 - IT - Communications	453	7,669	14,167	6,498	46%	20,000	12,331	62%	32%
611000 - Professional Development	676	4,503	14,708	10,205	69%	20,764	16,261	78%	49%
621000 - Operating Fees and Services	643	4,576	7,115	2,538	36%	10,044	5,468	54%	25%
623000 - Professional Fees and Services	2,212	24,887	24,013	(875)	-4%	33,900	9,013	27%	-3%
Total 520000 - Operating Expenses	**(4,395)**	**97,890**	**209,488**	**111,598**	**53%**	**295,748**	**197,858**	**67%**	**38%**
Total Expenditures	**91,178**	**1,755,747**	**1,970,197**	**214,449**	**11%**	**2,781,454**	**1,025,707**	**37%**	**8%**
Expenditures by Source									
Total General Funds	91,178	1,735,567	1,911,474	175,907	9%	2,698,551	962,984	36%	
Total Federal Funds			13,431	13,431	100%	18,962	18,962	100%	
Total Special Funds		20,181	45,292	25,111	55%	63,941	43,760	68%	
Total Expenditures by Source	**91,178**	**1,755,747**	**1,970,197**	**214,449**	**11%**	**2,781,454**	**1,025,707**	**37%**	

Organizational Status Report by Summary Account
For the Month Ended November 30, 2016
Percent of Biennium Remaining - 29.2%

Run Date: Dec 11, 2016
4911CC

Business Unit: 12500 Attorney General

	Current Month	Biennium to Date Actuals	Biennium to Date Budget	Biennium to Date (Over) / Under	Actual vs BTD Percent	Total Budget	Total Budget Remaining	Percent Budget Remaining	Percent Remaining - Biennium
Expenditures									
511000 - Salaries - Permanent	1,324,724	22,629,152	23,549,669	920,517	4%	33,246,592	10,617,440	32%	3%
512000 - Salaries - Other	3,500	128,536	203,382	74,846	37%	287,127	158,591	55%	26%
513000 - Temporary Salaries	26,493	389,423	475,678	86,255	18%	671,545	282,122	42%	13%
514000 - Overtime	25,945	212,963	247,150	34,187	14%	348,918	135,955	39%	10%
516000 - Fringe Benefits	528,983	9,145,465	9,848,567	703,101	7%	13,903,859	4,758,394	34%	5%
Total 510000 - Salaries and Benefits	**1,909,645**	**32,505,539**	**34,324,446**	**1,818,907**	**5%**	**48,458,041**	**15,952,502**	**33%**	**4%**
521000 - Travel	45,459	825,693	1,397,977	572,284	41%	1,973,615	1,147,922	58%	29%
531000 - Supplies - IT Software	80,890	1,308,271	2,091,370	783,099	37%	2,952,522	1,644,251	56%	27%
532000 - Supply/Material - Professional	5,877	99,076	156,907	57,832	37%	221,516	122,440	55%	26%
533000 - Food and Clothing	9	26,656	48,069	21,413	45%	67,862	41,206	61%	32%
534000 - Bldg, Grounds, Vehicle Supply	9,011	143,704	243,079	99,376	41%	343,171	199,467	58%	29%
535000 - Miscellaneous Supplies	1,143	48,843	133,896	85,053	64%	189,030	140,187	74%	45%
536000 - Office Supplies	11,133	140,497	204,875	64,378	31%	289,235	148,738	51%	22%
541000 - Postage	4,023	72,010	211,131	139,121	66%	298,067	226,057	76%	47%
542000 - Printing	5,664	70,536	226,833	156,298	69%	320,235	249,699	78%	49%
551000 - IT Equipment under $5,000		174,688	367,763	193,076	52%	519,195	344,507	66%	37%
552000 - Other Equipment under $5,000	6,164	171,753	1,946,597	1,774,845	91%	2,748,137	2,576,384	94%	65%
553000 - Office Equip & Furniture-Under	5,087	67,387	219,741	152,353	69%	310,222	242,835	78%	49%
561000 - Utilities	468	114,501	172,888	58,387	34%	244,077	129,576	53%	24%
571000 - Insurance	8,186	58,423	102,072	43,649	43%	144,101	85,678	59%	30%
581000 - Rentals/Leases-Equipment&Other	8,574	80,205	345,305	265,099	77%	487,489	407,284	84%	54%
582000 - Rentals/Leases - Bldg/Land	2,923	1,136,861	1,566,967	430,105	27%	2,212,188	1,075,327	49%	19%
591000 - Repairs	16,230	665,112	613,749	(51,363)	-8%	866,469	201,357	23%	-6%
601000 - IT - Data Processing	70,436	1,110,666	1,458,361	347,696	24%	2,058,863	948,197	46%	17%
602000 - IT - Communications	16,144	249,239	391,123	141,884	36%	552,174	302,935	55%	26%
603000 - IT Contractual Services and Re	305,092	3,166,733	3,582,169	415,436	12%	5,057,180	1,890,446	37%	8%
611000 - Professional Development	18,864	329,762	413,812	84,050	20%	584,205	254,443	44%	14%
621000 - Operating Fees and Services	68,462	2,651,701	7,464,721	4,813,021	64%	10,538,430	7,886,730	75%	46%
623000 - Professional Fees and Services	40,359	850,502	1,651,576	801,073	49%	2,331,636	1,481,134	64%	34%
625000 - Medical, Dental and Optical	19,837	498,704	564,021	65,317	12%	796,265	297,561	37%	8%
Total 520000 - Operating Expenses	**750,035**	**14,061,521**	**25,575,001**	**11,513,481**	**45%**	**36,105,884**	**22,044,363**	**61%**	**32%**
683000 - Other Capital Payments		382,139	542,217	160,078	30%	765,483	383,344	50%	21%
691000 - Equipment Over $5000		518,535	991,629	473,095	48%	1,399,947	881,412	63%	34%
692000 - Motor Vehicles		285,696	405,875	120,180	30%	573,000	287,305	50%	21%
693000 - IT Equip / Software Over $5000			168,323	168,323	100%	237,632	237,632	100%	71%
Total 681000 - Capital Assets		**1,186,369**	**2,108,044**	**921,675**	**44%**	**2,976,062**	**1,789,693**	**60%**	**31%**
712000 - Grants, Benefits & Claims	95,344	2,087,568	2,797,789	710,221	25%	3,949,820	1,862,252	47%	18%
722000 - Transfers Out			151,743	151,743	100%	214,225	214,225	100%	71%
Total 700000 - Grants, Refunds & Transfers	**95,344**	**2,087,568**	**2,949,532**	**861,964**	**29%**	**4,164,045**	**2,076,477**	**50%**	**21%**
Total Expenditures	**2,755,025**	**49,840,996**	**64,957,023**	**15,116,026**	**23%**	**91,704,032**	**41,863,036**	**46%**	**16%**
Expenditures by Source									
Total Special Funds	770,069	13,636,713	21,502,934	7,866,221	37%	30,357,083	16,720,370	55%	
Total Federal Funds	217,200	3,475,157	6,356,618	2,881,461	45%	8,974,049	5,498,892	61%	
Total General Funds	1,767,756	32,729,126	37,097,471	4,368,345	12%	52,372,900	19,643,774	38%	
Total Expenditures by Source	**2,755,025**	**49,840,996**	**64,957,023**	**15,116,026**	**23%**	**91,704,032**	**41,863,036**	**46%**	

February 3, 2017 HB1003 / HB1063 Attachment 4

2017 HOUSE BILL NO. 1003 - OFFICE OF ATTORNEY GENERAL FUND REDUCTIONS
GOVERNMENT OPERATION SECTION OF HOUSE APPROPRIATIONS
FEBRUARY 3, 2017

GENERAL FUND REDUCTIONS

FTE'S	SALARIES	OPERATING	GENERAL FUND
(3.0)	**(2,102,281)**	**(891,689)**	**(2,993,970)**

FUNDING SOURCE CHANGES

SALARIES	OPERATING	TOTAL	FF	OF	TOTAL
857,555	**21,874**	**879,429**	**377,734**	**501,695**	**879,429**

February 6, 2017 HB1003 / HB1063 Attachment A

Prepared by the Legislative Council staff for
for Government Operations Division
January 26, 2017

HOUSE BILL NO. 1003
LISTING OF PROPOSED CHANGES TO BASE LEVEL *

Department - Attorney General

	Proposed funding changes:	FTE	General Fund	Special Funds	Total
	Description				
1	Add funding for base payroll changes, including cost to continue July 1, 2016 salary increase (Governor Dalrymple)		($522,049)	$1,106,134	$584,085
2	Add funding for July 1, 2018, 1 percent salary increase (Governor Dalrymple) - Governor Burgum recommends eliminating the salary increase and related funding		$181,429	$16,618	$198,047
3	Add funding for health insurance increase (Governor Dalrymple)		$637,105	$58,357	$695,462
4	Remove 16 FTE positions (Governor Dalrymple)	(16.00)	($952,505)	($60,722)	($1,013,227)
5	Change funding source for 2 FTE positions (Agency request)		($262,767)	$262,767	$0
6	Remove funding for 24/7 sobriety program which is funded through a continuing appropriation (Agency request)		$0	($6,375,572)	($6,375,572)
7	Adjust funding for operating expenses (Governor Dalrymple)		$301,141	($1,219,094)	($917,953)
8	Reduce funding for criminal justice information sharing (Governor Dalrymple)		($188,741)	($291,482)	($480,223)
9	Reduce funding for law enforcement (Governor Dalrymple)		($219,348)	$0	($219,348)
10	Increase federal funds spending authority (Agency request)		$0	$228,897	$228,897
11	Add funding for IT disaster recovery system (Agency request)		$46,703	$0	$46,703
12	Remove funding for abortion litigation fees (Agency request)		($400,000)	$0	($400,000)
13	Increase funding for litigation fees (Agency request)		$100,000	$0	$100,000
14	Increase funding for Indian gaming audit expenses (Agency request)		$0	$37,500	$37,500
15	Add funding for equipment (Agency request)		($194,388)	$606,882	$412,494
16	Increase funding for the State Crime Lab bond payments (Agency request)		$529	$0	$529
17	Remove 2 additional FTE positions (Governor Burgum)	(2.00)	($328,300)	$0	($328,300)
18	Reduce funding for 5 percent employee health insurance contribution (Governor Burgum)		($330,753)	($30,571)	($361,324)
19	Reduce funding for operating expenses (Governor Burgum)		($595,200)	$0	($595,200)
	Total proposed funding changes	(18.00)	($2,727,144)	($5,660,286)	($8,387,430)

*NOTE: Government Operations Division indicated goal is to reach a general fund reduction of 5 percent from Governor Dalrymple's budget ($3.8 million reduction from base budget)

Other proposed changes:

1 Provide a section which identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement. (Agency request)

2 Provide a section which provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium. (Agency request)

3 Provide a section which provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund. (Agency request)

4 Provide a section which provides for the statutory changes to increase the Attorney General's salary by 1 percent in the second year. (Governor Dalrymple) (The Burgum budget recommendation removes this section.)

February 6, 2017 HB1003/HB1063 Attachment B

Attorney General - Budget No. 125
House Bill No. 1003
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version				House Changes to Revised Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313	0.00	$0	$0	$0
2017-19 Ongoing Funding Changes												
Base payroll changes		($522,049)	$1,106,134	$584,085				$0		$522,049	($1,106,134)	($584,085)
Salary increase				**0**				0				0
Health insurance increase		637,105	58,357	695,462				0		(637,105)	(58,357)	(695,462)
Employee portion of health insurance		**(330,753)**	**(30,571)**	**(361,324)**				0		330,753	30,571	361,324
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)				0	16.00	952,505	60,722	1,013,227
Changes funding source for 2 FTE positions		(262,767)	262,767	0				0		262,767	(262,767)	0
Removes 2 additional FTE positions	**(2.00)**	**(328,300)**		**(328,300)**				0	2.00	328,300		328,300
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)				0			6,375,572	6,375,572
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)				0		(301,141)	1,219,094	917,953
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)				0		188,741	291,482	480,223
Reduces funding for law enforcement		(219,348)		(219,348)				0		219,348		219,348
Increases federal funds spending authority			228,897	228,897				0			(228,897)	(228,897)
Adds funding for IT disaster recovery system		46,703		46,703				0		(46,703)		(46,703)
Removes funding for abortion litigation fees		(400,000)		(400,000)				0		400,000		400,000
Increases funding for litigation fees		100,000		100,000				0		(100,000)		(100,000)
Increases funding for Indian gaming audit expenses			37,500	37,500				0			(37,500)	(37,500)
Adds funding for equipment		(194,388)	606,882	412,494				0		194,388	(606,882)	(412,494)
Increases funding for the State Crime Lab bond payments		529		529				0		(529)		(529)
Reduces funding for intellectual property attorney				0				0				0
Reduces appropriations by 2 percent		**(595,200)**		**(595,200)**				0		595,200		595,200
Total ongoing funding changes	(18.00)	($2,908,573)	($5,676,904)	($8,585,477)	0.00	$0	$0	$0	18.00	$2,908,573	$5,676,904	$8,585,477
One-time funding items												
No one-time funding				0				0				0
Total one-time funding changes	0.00	$0	$0	$0	0.00	$0	$0	$0	0.00	$0	$0	$0
Total Changes to Base Level Funding	(18.00)	($2,908,573)	($5,676,904)	($8,585,477)	0.00	$0	$0	$0	18.00	$2,908,573	$5,676,904	$8,585,477
2017-19 Total Funding	232.00	$45,558,288	$29,570,548	$75,128,836	250.00	$48,466,861	$35,247,452	$83,714,313	18.00	$2,908,573	$5,676,904	$8,585,477
										6.4%	19.2%	11.4%

Other Sections in Attorney General - Budget No. 125

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Tobacco settlement trust fund	Section 3 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	

Other Sections in Attorney General - Budget No. 125

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version	
Exemption - Strategic investment and improvements fund	Section 4 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.		
Continuing appropriations	Section 5 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.		
Salary of Attorney General	Section 6 provides for the statutory changes to increase the Attorney General's salary by 1 percent in the second year. **(The Burgum budget recommendation removes this section.)**		

Any additional funding to be received and expended

SECTION 3. APPROPRIATION – ATTORNEY GENERAL'S OFFICE - LEGISLATIVE MANAGEMENT REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 of any funding made available pursuant to this section.

February 8, 2017 HB1003/HB1063 Attachment A

17.0488.01001
Title.

Fiscal No. 2

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations Division Committee
February 8, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month."

Page 2, after line 14, insert:

"**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. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 of any funding made available pursuant to this section.

SECTION 6. 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 7. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
General fund	$48,466,861	($4,466,861)	$44,000,000
FTE	250.00	(19.00)	231.00

Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes[1]	Adds Funding for Health Insurance Increase[2]	Removes 19 FTE Positions[3]	Changes Funding Source for 8 FTE Positions[4]	Underfunds Salaries and Wages[5]	Removes Spending Authority for the 24/7 Sobriety Program[6]
Salaries and wages	$787,933	$606,804	($702,021)		($929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						

Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Total all funds	$584,085	$695,462	($1,147,227)	$0	($929,297)	($6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	($522,049)	$637,105	($1,086,505)	($1,120,322)	($929,297)	$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

	Reduces Funding for Operating Expenses[7]	Reduces Funding for Criminal Justice Information Sharing[8]	Removes Funding for Abortion Litigation Fees[9]	Adjusts Base Level Funding[10]	Total House Changes
Salaries and wages					($236,581)
Operating expenses	(1,787,768)			(364,241)	(8,527,581)
Capital assets				403,185	403,185
Grants				677,341	677,341
Litigation fees				100,000	100,000
Intellectual property attorney					8,808
Abortion litigation fees			(400,000)		(400,000)
Medical examinations					
North Dakota lottery					55,989
Arrest and return of fugitives					
Gaming commission					
Criminal justice information sharing		(480,223)			(764,019)
Law enforcement				(209,510)	(550,907)
Total all funds	($1,787,768)	($480,223)	($400,000)	$606,775	($9,233,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	(4,766,904)
General fund	($590,548)	($188,741)	($400,000)	($266,504)	($4,466,861)
FTE	0.00	0.00	0.00	0.00	(19.00)

[1] Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

[2] Funding is added for increases in health insurance premiums from $1,130 to $1,249 per month.

[3] Total funding of $1,147,227, of which $952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget ($1,013,227) and the removal of an additional 3 FTE positions ($134,000).

[4] The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation ($262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation ($857,555).

[5] General fund salaries and wages are underfunded.

[6] North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of $6,375,572 in special funds authority is removed for the 24/7 sobriety program.

[7] Funding is reduced for operating expenses.

[8] Reduces funding for criminal justice information sharing to provide total funding of $3,391,562.

[9] Removes funding for abortion litigation fees.

[10] Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces law enforcement funding	($219,348)		($219,348)
Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Adjusts equipment funding	(194,388)	606,882	412,494
Increases funding for Crime Laboratory bond payment	529		529
Total	($266,504)	$873,279	$606,775

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify $200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Adds a section appropriating any additional federal or other funds income which may become available to the Attorney General for the purposes of the office and requires the Attorney General to report to the Office of Management and Budget regarding any additional income made available.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

February 8, 2017 HB1003 / HB1063 Attachment B

17.0488.01001

Sixty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1003

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to provide exemptions; and to provide a report to the office of management and budget.

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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$40,503,865~~	~~$0~~	~~$40,503,865~~
~~Operating expenses~~	~~24,672,585~~	~~0~~	~~24,672,585~~
~~Capital assets~~	~~2,339,187~~	~~0~~	~~2,339,187~~
~~Grants~~	~~1,762,659~~	~~0~~	~~1,762,659~~
~~Litigation fees~~	~~50,000~~	~~0~~	~~50,000~~
~~Intellectual property attorney~~	~~418,323~~	~~0~~	~~418,323~~
~~Abortion litigation fees~~	~~400,000~~	~~0~~	~~400,000~~
~~Medical examinations~~	~~660,000~~	~~0~~	~~660,000~~
~~North Dakota lottery~~	~~5,282,778~~	~~0~~	~~5,282,778~~
~~Arrest and return of fugitives~~	~~10,000~~	~~0~~	~~10,000~~
~~Gaming commission~~	~~7,490~~	~~0~~	~~7,490~~
~~Criminal justice information sharing~~	~~4,151,701~~	~~0~~	~~4,151,701~~
~~Law enforcement~~	~~3,455,725~~	~~0~~	~~3,455,725~~
~~Total all funds~~	~~$83,714,313~~	~~$0~~	~~$83,714,313~~

~~Less estimated income~~	~~35,247,452~~	~~0~~	~~35,247,452~~
~~Total general fund~~	~~$48,466,861~~	~~$0~~	~~$48,466,861~~
~~Full-time equivalent positions~~	~~250.00~~	~~0.00~~	~~250.00~~
Salaries and wages	$40,503,865	($236,581)	$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
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	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Total all funds	$83,714,313	($9,233,765)	$74,480,548
Less estimated income	35,247,452	(4,766,904)	30,480,548
Total general fund	$48,466,861	($4,466,861)	$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of $695,462, of which $637,105 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,249 per month.

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

One-Time Funding Description	2015-17	2017-19
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
Total all funds	$3,936,157	$0
Total special funds	653,333	0
Total general fund	$3,282,824	$0

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. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated to the attorney general, any additional income from federal or other funds which may become available to the attorney general for the purposes 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 of any funding made available pursuant to this section.

SECTION 6. 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 7. 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.

Department 125 - Attorney General
House Bill No. 1003

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

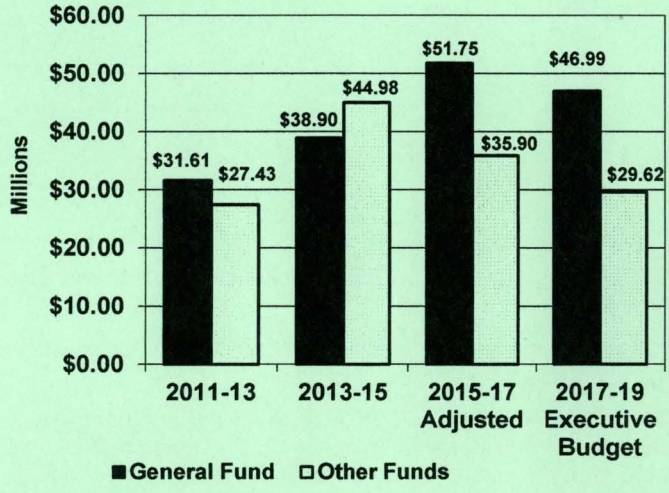
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	234.00	$46,993,970	$29,617,737	$76,611,707
2015-17 Adjusted Legislative Appropriations[1]	250.00	51,749,685	35,900,785	87,650,470
Increase (Decrease)	(16.00)	($4,755,715)	($6,283,048)	($11,038,763)

[1]The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016.

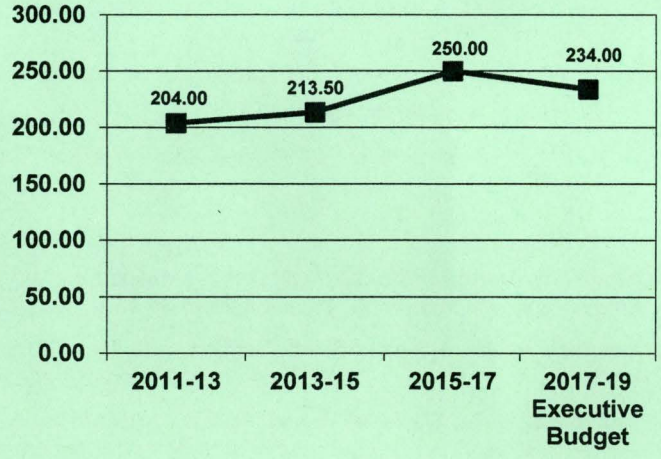
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	$46,993,970	$0	$46,993,970
2015-17 Adjusted Legislative Appropriations	48,466,861	3,282,824	51,749,685
Increase (Decrease)	($1,472,891)	($3,282,824)	($4,755,715)

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	$46,993,970	$29,617,737	$76,611,707
2017-19 Base Level	48,466,861	35,247,452	83,714,313
Increase (Decrease)	($1,472,891)	($5,629,715)	($7,102,606)

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

Dalrymple and Burgum Executive Budget Highlights (With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which $198,047 is for salary increases and $695,462 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) **The House removed funding for the salary increases.**	$818,534	$74,975	$893,509
2. Removes 16 FTE positions. (The Burgum budget removed an additional 2 FTE positions and funding of $328,200 from the general fund.) **The House removed 3 FTE positions in addition to the Dalrymple budget and funding of $134,000 from the**	($952,505)	($60,722)	($1,013,227)

general fund. The House underfunded salaries and wages from the general fund by $929,297.			
3. Changes funding source for 2 FTE positions to federal funds. **The House changed funding source for 6 additional FTE positions to federal and other funding sources.**	($262,767)	$262,767	$0
4. Removes funding for the 24/7 sobriety program (The Attorney General has a continuing appropriation from the revenues used to fund the 24/7 sobriety program)	$0	($6,375,572)	($6,375,572)
5. Adjusts funding for operating expenses. (The Burgum budget reduced an additional $595,200 for operating expenses.) **The House reduced an additional $891,689 in funding from the general fund from the Dalrymple budget and increased funding from other funds by $21,874.**	$201,141	($1,219,094)	($1,017,953)
6. Reduces funding for criminal justice information sharing to provide total funding of $3,391,562	($188,741)	($291,482)	($480,223)
7. Reduces funding for law enforcement	($219,348)	$0	($219,348)
8. Increases federal funds spending authority	$0	$228,897	$228,897
9. Adds funding for information technology disaster recovery system	$46,703	$0	$46,703
10. Removes funding for abortion litigation fees of $400,000 ($100,000 transferred to operating expenses and $100,000 transferred to litigation fees)	($200,000)	$0	($200,000)
11. Increases funding for Indian gaming audit expenses	$0	$37,500	$37,500
12. Adds funding for equipment	($194,388)	$606,882	$412,494
13. Increases funding for the State Crime Laboratory building bond payments	$529	$0	$529

Other Sections in House Bill No. 1003

Health insurance increase - Section 2 identifies the amount included in the agency appropriations relating to increases in employee health insurance premiums from $1,130 to $1,249 per month.

Tobacco settlement trust fund - Section 4 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.

Appropriation - Additional federal funds or other funds - Section 5 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.

Exemption - Strategic investment and improvements fund - Section 6 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017-19 biennium.

Continuing appropriations - Section 7 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.

Continuing Appropriations

Assets forfeiture fund - North Dakota Century Code Section 54-12-14 - To pay costs related to law enforcement activities of the Attorney General's office.

Lottery operating fund - Section 53-12.1-09 - To pay costs of operating the lottery.

Refund fund - Section 54-12-18 - To pay costs of the Consumer Protection and Antitrust Division and the Gaming Division.

Special operations team reimbursement fund - Section 54-12-23 - To reimburse city and county governments that provide special operations team services to rural areas.

24/7 sobriety program fund - Section 54-12-29 - To pay costs of administering and operating the 24/7 sobriety program.

Multijurisdictional drug task force fund - Section 54-12-26 - To provide support for the narcotics enforcement efforts of the state.

Significant Audit Findings

The operational audit for the Attorney General's office conducted by the State Auditor's office during the 2015-16 interim identified no significant audit findings.

Major Related Legislation

House Bill No. 1194 - Requires the Attorney General to develop a card containing the rights of victims as provided in North Dakota Century Code Chapter 12.1-34 and Section 26 of Article I of the Constitution of North Dakota.

House Bill No. 1226 - Requires the Department of Human Services, with the cooperation of the Governor and the Attorney General, to study the feasibility and desirability of establishing a Medicaid fraud control unit during the 2017-18 interim.

Senate Bill No. 2054 - Creates a new section to Chapter 54-12 which authorizes law enforcement officers with a minimum of 2 years of employment in the state licensed under Chapter 12-63 to waive 25 percent of resident tuition and fees on any institution of higher education under the control of the State Board of Higher Education for up to 5 years if the law enforcement officer meets specific requirements. The amount of waivers granted each year by institutions under the control of the State Board of Higher Education is not to exceed $1 million. The section directs the Attorney General to adopt rules necessary to implement the new section.

Senate Bill No. 2191 - Appropriates $250,000 from the strategic investment and improvements fund, to the Attorney General for providing grants through the domestic violence and rape crisis program for community- or hospital-based sexual assault examiner programs during the 2017-19 biennium.

Senate Bill No. 2203 - Appropriates $500,000 from the general fund, to the Attorney General for providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims during the 2017-19 biennium.

Attorney General - Budget No. 125
House Bill No. 1003
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313
2017-19 Ongoing Funding Changes								
Base payroll changes		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085
Salary increase				***0***				***0***
Health insurance increase		637,105	58,357	695,462		637,105	58,357	695,462
Employee portion of health insurance		***(330,753)***	***(30,571)***	***(361,324)***				***0***
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)
Changes funding source for 8 FTE positions		(262,767)	262,767	0		(1,120,322)	1,120,322	0
Removes 2 additional FTE positions	***(2.00)***	***(328,300)***		***(328,300)***				***0***
Removes 3 additional FTE positions				0	(3.00)	(134,000)		(134,000)
Underfunds salaries and wages				0		(929,297)		(929,297)
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)
Reduces funding for law enforcement		(219,348)		(219,348)		(219,348)		(219,348)
Increases federal funds spending authority			228,897	228,897			228,897	228,897
Adds funding for IT disaster recovery system		46,703		46,703		46,703		46,703
Removes funding for abortion litigation fees		(400,000)		(400,000)		(400,000)		(400,000)
Increases funding for litigation fees		100,000		100,000		100,000		100,000
Increases funding for Indian gaming audit expenses			37,500	37,500			37,500	37,500
Adds funding for equipment		(194,388)	606,882	412,494		(194,388)	606,882	412,494
Increases funding for the State Crime Lab bond payments		529		529		529		529
Reduces funding for intellectual property attorney				0				0
Reduces funding for operating expenses		***(595,200)***		***(595,200)***				***0***
Reduces operating expenses				0		(891,689)	21,874	(869,815)
Total ongoing funding changes	(18.00)	($2,908,573)	($5,676,904)	($8,585,477)	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)
One-time funding items								
No one-time funding				0				0
Total one-time funding changes	0.00	$0	$0	$0	0.00	$0	$0	$0
Total Changes to Base Level Funding	(18.00)	($2,908,573)	($5,676,904)	($8,585,477)	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)
2017-19 Total Funding	232.00	$45,558,288	$29,570,548	$75,128,836	231.00	$44,000,000	$30,480,548	$74,480,548

Other Sections in Attorney General - Budget No. 125

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	House Version
Health insurance increase		Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Tobacco settlement trust fund	Section 3 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 4 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.
Appropriation - Additional federal funds or other funds		Section 5 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.
Exemption - Strategic investment and improvements fund	Section 4 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013-15 Legislative Assembly to the Attorney General for the use of crime–related needs of the Attorney General's office for the 2017–19 biennium.	Section 6 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.
Continuing appropriations	Section 5 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 7 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.
Salary of Attorney General	Section 6 provides for the statutory changes to increase the Attorney General's salary by 1 percent in the 2nd year. **(The Burgum budget recommendation removes this section.)**	

Department 125 - Attorney General

Appropriations Comparisons to the Original and Adjusted Base Budgets

Reductions to 2015-17 Biennium General Fund Appropriations

(As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	$51,701,902	$3,674,968	$55,376,870
General fund reductions	(3,235,041)	(392,144)	(3,627,185)
Adjusted 2015-17 appropriations	$48,466,861	$3,282,824	$51,749,685
Dalrymple Executive Budget changes	(1,472,891)	(3,282,824)	(4,755,715)
2017-19 Dalrymple Executive Budget	$46,993,970	$0	$46,993,970

Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for salaries and wages	($1,465,975)	$0	($1,465,975)
Reduced funding for operating expenses	(1,318,734)	0	(1,318,734)
Reduced funding for criminal justice information sharing	0	($292,144)	(292,144)
Reduced funding for law enforcement	(431,661)	0	(431,661)
Reduced funding for intellectual property attorney	(18,671)	0	(18,671)
Reduced funding for contracted higher education legal services	0	(100,000)	(100,000)
Total reductions	($3,235,041)	($392,144)	($3,627,185)
Percentage reduction to ongoing and one-time general fund appropriations	6.26%	10.67%	6.55%

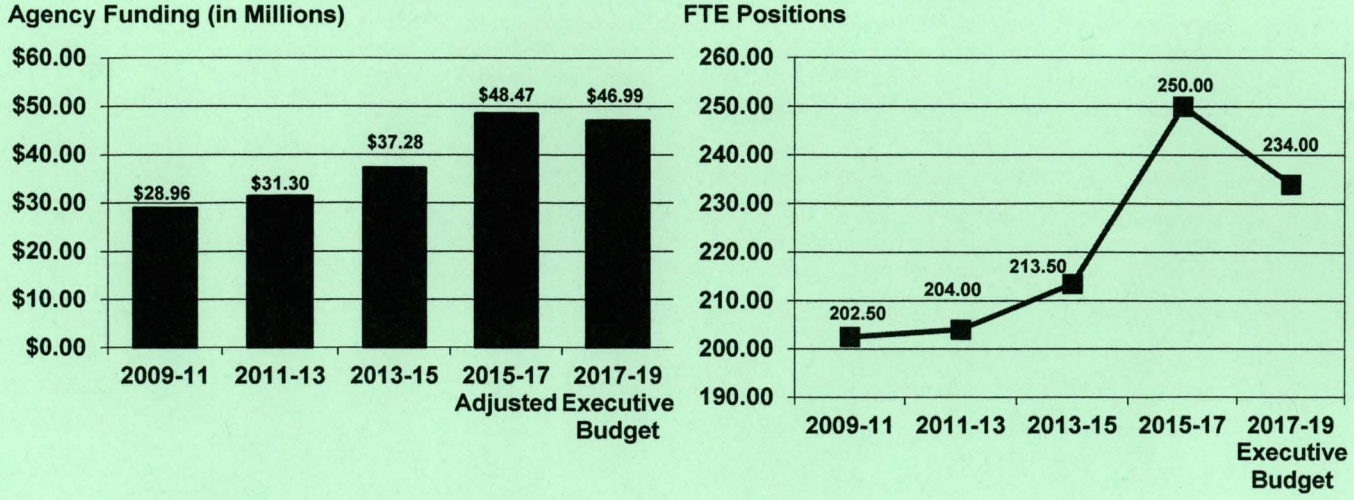
2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
Adds funding for recommended salary and benefit increases	$818,534	$0	$818,534
Reduces funding for salaries and wages	(522,049)	0	(522,049)
Removes 16 FTE positions	(2,418,480)	1,465,975	(952,505)
Changes funding source for 2 FTE positions	(262,767)	0	(262,767)
Adjusts funding for operating expenses	(1,117,593)	1,318,734	201,141
Reduces funding for criminal justice information sharing	(188,741)	0	(188,741)
Reduces funding for law enforcement	(651,009)	431,661	(219,348)
Adds funding for information technology disaster recovery system	46,703	0	46,703
Removes funding for abortion litigation fees	(400,000)	0	(400,000)
Adds funding for litigation fees	100,000	0	100,000
Adds funding for operating expenses	100,000	0	100,000
Reduces funding for equipment	(194,388)	0	(194,388)
Increases funding for the State Crime Laboratory building bond payments	529	0	529
Reduces funding for the intellectual property attorney	(18,671)	18,671	0
Total	($4,707,932)	$3,235,041	($1,472,891)

Department 125 - Attorney General

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2009-11



Ongoing General Fund Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing general fund appropriations	$28,960,432	$31,229,845	$37,275,528	$48,466,861	$46,993,970
Increase (decrease) from previous biennium	N/A	$2,269,413	$6,045,683	$11,191,333	($1,472,891)
Percentage increase (decrease) from previous biennium	N/A	7.8%	19.4%	30.0%	(3.0%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	7.8%	28.7%	67.4%	62.3%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2011-13 Biennium

1. Added funding for position reclassifications and salary equity adjustments for identification technicians	$190,501

2013-15 Biennium

1. Added funding for salary equity increases for forensic scientists	$171,000
2. Changed funding source from federal fiscal stimulus funds to general funds for 7 FTE positions	$1,037,590
3. Added funding for 1 FTE synthetic drugs forensic scientist position	$146,039
4. Added funding for potential litigation fees relating to abortion-related legislation approved by the Legislative Assembly	$400,000
5. Added funding for operating expenses for the 24/7 sobriety program, criminal history record checks for concealed weapons licenses, fingerprint record checks for appraisal management companies and employees, and fingerprint record checks for insurance producers	$121,390

2015-17 Biennium (Original Amounts)

1. Added law enforcement-related funding for 8 FTE criminal investigator positions, 3 FTE intelligence analyst positions, 2 FTE assistant Attorney General positions, 1 FTE administrative position, 1 FTE grants administrator position, 1 FTE forensic scientist position, and 0.5 FTE attorney position	$3,724,698
2. Added 2 FTE criminal history identification technician positions	$310,536
3. Added 1 FTE gaming auditor position	$82,907
4. Added funding for transfer of the criminal justice information sharing system, including 3 FTE positions transferred and 1 new FTE business analyst position and related operating expenses	$3,270,219

7

5. Restored 1 FTE programmer analyst position identified as one-time funding for the 2013-15 biennium	$142,278
6. Added funding and 9 FTE positions for providing legal services to the North Dakota University System	$3,079,724

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

1. Removes 16 FTE positions. (The Burgum budget removed an additional 2 FTE positions and funding of $328,200 from the general fund.) **The House removed 3 FTE positions in addition to the Dalrymple budget and funding of $134,000 from the general fund. The House underfunded salaries and wages from the general fund by $929,297.**	($952,505)
2. Changes the funding source for 2 FTE positions. **The House changed funding source for 6 additional FTE positions to federal and other funding sources.**	($262,767)
3. Adjusts funding for operating expenses. (The Burgum budget reduced an additional $595,200 for operating expenses.) **The House reduced an additional $891,689 in funding from the general fund from the Dalrymple budget and increased funding from other funds by $21,874.**	$201,141
4. Reduces funding for criminal justice information sharing	($188,741)
5. Reduces funding for law enforcement	($219,348)
6. Adds funding for information technology disaster recovery system	$46,703
7. Removes funding for abortion litigation fees	($400,000)
8. Adds funding for litigation fees	$100,000
9. Adds funding for operating expenses	$100,000
10. Reduces funding for equipment	($194,388)

HB 1003
3-7-17
#1

2017 - 2019 BUDGET

Office of Attorney General
State of North Dakota

Wayne Stenehjem
Attorney General

For the Senate Appropriations Committee

2017 - 2019 BUDGET

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State of North Dakota

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For the Senate Appropriations Committee

TABLE OF CONTENTS

2017 Engrossed House Bill No. 1003 1

Summary of Office of Attorney General Major Accomplishments 2

- Statewide Law Enforcement Intelligence Center (SLIC) 2
- Crime Lab Activities 3
- Combined DNA Index System (CODIS) 3
- Consumer Protection and Antitrust (CPAT) Division 4
- 24/7 Sobriety Program 4
- Concealed Weapon Licenses 4
- Criminal History Record Information Requests 5
- Sex Offender and Offenders Against Children Registry 5
- Legal Services 5
- Tobacco Diligent Enforcement Arbitration 6
- Charitable Gaming 7
- Lottery Transfers 7

Current and Future Critical Issues 7

- Fentanyl, Heroin, and Other Illicit Drugs 7
- Criminal Investigator Work Demands 8
- Implementation of Medical Marijuana 9
- Marsy's Law Implementation 9
- Criminal Investigators Salary Issue 10
- Intelligence Analysts – North Dakota State and Local Intelligence Center and Western North Dakota 11
- Information Technology Division Infrastructure and Program Needs 11

Office of Attorney General Budget Issues and Requests 12

- Office/State Impacts Due to 10% General Fund Reduction 12

Office of Attorney General Additional Reductions Recommended by Governors Dalrymple and Burgum and House Actions for Engrossed House Bill No. 1003 13

- General Fund Allotments During the 2015-17 Biennium 14
- Major Ongoing General Fund Increases/Decreases by the 2013 and 2015 Legislative Assemblies 15

Proposed Changes to 2017 Engrossed House Bill No. 1003 17

2017 Legislation Having a Fiscal Impact on the Office of Attorney General 18

Criminal Investigative Cases....20

Pre-Oil Boom, Oil Boom and Post-Oil Boom Arrests....21

Pre-Oil Boom, Oil Boom and Post-Oil Boom Population....22

DUI Offense Convictions....23

State and Federal Criminal History Record Checks....24

Total Number of Concealed Weapons Licenses Issued....25

Crime Lab DNA Caseload Submissions....26

Crime Lab All Arrestees Samples....27

ND SAVIN Victim Notifications....28

Top 25 Narcotics Consumed in North Dakota for the Period from January through December 2015 From Crime Laboratory Cases....29

Top 25 Narcotics Consumed in North Dakota for the Period from January through December 2016 From Crime Laboratory Cases....30

Office of Attorney General Organizational Chart....31

2017 ENGROSSED HOUSE BILL NO. 1003

Office of Attorney General

The Office of Attorney General (OAG) represents and defends the interests of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the North Dakota Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and advisor to state government providing legal representation to all facets of state government, including the Governor, all departments of state government, local government and all state agencies, boards, and commissions.

The Attorney General has primary authority to act on behalf of the state of North Dakota in other areas, including criminal investigations; full arrest and law enforcement authority; sex offender risk assessment and registration; evidence examination and testimony; consumer protection and antitrust; administration, regulation, and enforcement of charitable gaming and lottery activity; and fire inspections, investigations, and mitigation of hazardous materials incidents. Attorney General staff members provided a significant amount of training to North Dakota citizens and others, including law enforcement and the fire services.

The office consists of 12 divisions:

- Administration
- Bureau of Criminal Investigation (BCI)
- Civil Litigation and Natural Resources & Indian Affairs
- Consumer Protection and Antitrust (CPAT)
- Criminal and Regulatory
- Criminal Justice Information Sharing (CJIS) and Information Technology (IT)
- Crime Laboratory (Crime Lab)
- Finance and Administration
- Fire Marshal
- Gaming
- Lottery
- State and Local Government

SUMMARY OF OFFICE OF ATTORNEY GENERAL MAJOR ACCOMPLISHMENTS

Statewide Law Enforcement Intelligence Center (SLIC)

The State and Local Intelligence Center (SLIC) works with law enforcement agencies to provide the tools necessary to identify possible threats while managing resources. SLIC provides the state with support that leads to identifying, investigating, and prosecuting criminal activities, including drug suppliers from out-of-state sources and homeland security threats. Many crimes involve conspiracies, several layers of networks, and individuals who utilize the same routes and modes of transportation. The SLIC, under the Department of Emergency Services, facilitates information sharing between task forces, analysts across the nation, the northern border International Border Enforcement Teams (IBET), and many local, state, and federal agencies. It is a multi-agency team consisting of the Bureau of Criminal Investigation (BCI), Border Patrol, Homeland Security Investigation (HSI), North Dakota Highway Patrol, North Dakota Army National Guard, and the Division of Emergency Services.

Some statistics regarding the SLIC include:

- Requests for information completed in 2015: 4,403
- Requests for information completed in 2016: 3,557, and SLIC has been heavily involved in the ongoing Dakota Access Pipeline (DAPL) activities. SLIC has sent 143 Daily Intelligence Updates, gave 53 morning update briefs, created 40 DAPL related "Hot sheets" (law enforcement priority intelligence or investigative lead communications), entered 22 related tips and leads, and has reviewed an estimated 500+ hours of law enforcement protest video footage in fiscal year 2016.

Over the last year, the SLIC has received numerous requests for case support for serious felony level cases such as:

- Homicides,
- Human trafficking,
- Drug trafficking,
- Child sex exploitation, and
- Complex conspiracy activities

Local law enforcement agencies have increasingly requested sophisticated case support such as:

- Geospatial information systems mapping,
- Financial investigations,
- Facial recognition,
- Social media monitoring, and
- Monitoring internet websites (Backpage.com) to identify witnesses to crimes unknown to law enforcement

Another duty of the watch center is to deescalate investigations for member agencies, which increases the workload of the intelligence analysts.

Crime Lab Activities

The Drug Chemistry Unit of the Lab continues to maintain a turn-around time of less than 30 days on casework samples. The Lab's Toxicology Section continues to maintain a turn-around time of less than 30 days on casework samples. The Lab processed a total of 7,471 offender samples in 2015 and 2016. There are approximately 33,625 offender samples in North Dakota's DNA database. For the last five years the number of North Dakota offender samples has averaged 4,104 per year. The FBI's DNA database the Crime Lab uses contains over 12 million offender samples.

The current turn-around times for select types of evidence are as follows:

- About 30 days for fingerprint cases
- Less than 21 days for arson cases
- Less than 30 days for firearms cases
- Approximately 180 days for DNA cases

Combined DNA Index System (CODIS)

Since the Legislature passed legislation requiring convicted and then all arrestees to submit DNA samples, which are submitted to CODIS, the Crime Lab has added 33,625 offender DNA samples. The nationwide CODIS database has more than 12 million samples. When criminal evidence is submitted and DNA samples are submitted, these samples are compared to the DNA samples in CODIS. When the evidence samples match the CODIS sample, then individuals can be connected to more than one crime. Since the CODIS inception, North Dakota has had 576 hits or matches.

Consumer Protection and Antitrust (CPAT) Division

CPAT opened 1,527 consumer complaints and investigations and closed 1,500 files in 2016. The division recovered or collected $485,266 in consumer restitution. CPAT collected $3,427,920 in attorney's fees, investigation costs, and civil penalties relating to litigation completed. The division took legal action against 163 companies or individuals.

24/7 Sobriety Program

The 24/7 Sobriety Program is designed to remove intoxicated drivers from the road, improve their ability to succeed in their treatment choices, and provide a safer driving environment for the traveling public. Offenders participate in twice-per-day breath tests or electronic alcohol monitoring, seven days per week, for as long as the court order mandates. Participants are also required to pay a fee for the monitoring, which in turn is used to pay for breath alcohol devices, electronic monitoring devices, and other program costs.

Here is some 24/7 Sobriety Program information:

- Total participants since the inception of the program on 1-1-2008 (includes pilot counties): 16,271
- Total participants that graduated from the program: 10,445
- Total participants that failed the program requirements: 2,960
- Total participants that have reoffended (temporary status, have not failed or graduated): 728
- Participants currently active on the program: 2,138
- Total breath tests administered since the inception of program: 1,049,982
- Pass rate of breath tests taken: 95.40% (1,001,734)

The program has been supported by law enforcement, the courts, and the participants, and it is proving to be a successful alternative to detention.

Concealed Weapon Licenses

As of December 31, 2016, 48,700 individuals held North Dakota concealed weapon licenses compared to a total of 15,579 active licenses at the end of 2011. On March 1, 2004, only 6,421 licenses were held. The BCI issued 12,246 concealed weapon licenses in 2016. Of the total active concealed weapon licenses, about 24,000 are slated to be renewed in the 2017-19 biennium.

Criminal History Record Information Requests

BCI processed 52,043 criminal history record information requests in 2016, a 22% increase over the requests in 2014. Of those, 29,101 were requests for data from the state database and 22,942 were requests for fingerprint based searches of the FBI database criminal history information requests, a 37% increase over 2014.

Sex Offender and Offenders Against Children Registry

Sex offenders and offenders against children are required to be registered on the Office of Attorney General's website. For fiscal year 2016 the office added 157 offenders against children, of which 27 are currently incarcerated. Through fiscal year 2016 there are 1,752 sex offenders and 396 are currently incarcerated.

Legal Services

Forty assistant attorneys general assist state entities with a significant variety of legal issues. The legal services divisions of the office are currently working on a significant number of cases including:

Waters Of The United States (WOTUS)
North Dakota successfully challenged the Environmental Protection Agency (EPA) and Army Corps of Engineers' proposed rule known as the WOTUS rule, which sought to redefine "waters of the United States" for purposes of the Clean Water Act and greatly expand federal regulations across the state. The case is currently pending in federal court.

Bureau of Land Management Anti-Fracking
North Dakota and other states successfully challenged the Department of Interior and Bureau of Land Management's (BLM) "Fracking Rule" which sought to undermine the State's regulation and management of fracking. The case is currently pending in the 10th Circuit Court of Appeals.

Clean Power Plan
North Dakota and numerous other states have challenged the EPA's Clean Power Plan Rule. The rule imposes a massive burden on states to develop and implement plans that must reduce carbon dioxide emissions to levels mandated by EPA. The rule is currently stayed by the U.S. Supreme Court.

Venting/Flaring
North Dakota, Wyoming, and Montana filed suit against the Department of the Interior and the Bureau of Land Management, seeking to vacate the federal government's "venting and flaring" rule. North Dakota's request for a preliminary injunction was denied. The court issued an expedited briefing schedule.

Corporate Farming
The Office of Attorney General is defending the state's corporate farming law in federal court from a constitutional challenge made by eight plaintiffs (a non-profit farmer advocacy corporation; a ND farming corporation; a Wisconsin individual who is a member of a Wisconsin dairy LLC; a Wisconsin dairy LLC; a ND pork farmer; a ND pork non-profit advocacy group; a ND beef rancher; and a ND beef consultant LLC). This is the fifth constitutional challenge against the law in the past decade.

Stream Protection Rules
North Dakota has filed suit in federal court against the U.S. Department of Interior over the "Stream Protection Rule." The rule, which the office contends violates federal law and the United States Constitution, places numerous onerous restrictions on surface coal mining and reclamation activities.

Minnesota Next Generation Energy Act
North Dakota successfully challenged Minnesota's Next Generation Energy Act (NGEA) in federal court, which ruled the Minnesota law unconstitutional, faulting the law as "overreaching." The Eighth Circuit Court of Appeals agreed that the law illegally sought to regulate activities taking place wholly in North Dakota, well beyond Minnesota's borders. If left in place, the law would have prevented North Dakota utilities from selling power into the Midcontinent Independent Transmission System Operator (MISO) market – hurting businesses and customers in both Minnesota and North Dakota. The State of North Dakota and the other plaintiffs are currently seeking the recovery of over $1 million in attorney's fees.

Abortion Control Act
The office defended the constitutionality of the 2011 Legislative Session's House Bill No. 1297, the Abortion Control Act, and appealed to the North Dakota Supreme Court the district court's ruling.

Other Litigation
The office sued the United States Forest Service over public access to North Dakota's 1.2 million acres of national grasslands. The Forest Service has taken unprecedented steps to close unimproved roads and trails and restrict access in the grasslands.

In addition, the office worked with other states in filing amicus briefs in federal litigation involving energy generation issues.

Tobacco Diligent Enforcement Arbitration

The office represented and continues to represent the state in proceedings dealing with the Master Settlement Agreement (MSA) and the state's compliance with N.D.C.C. chapter 51-25, the Tobacco Sales Act, resulting in the state collecting $20,466,444 in fiscal year 2016 and $42,230,481 for the 2013-15 biennium. From inception of the MSA through fiscal year 2016, the state has received $401,660,676 in tobacco settlement payments.

The office's participation in the first tobacco diligent enforcement arbitration (2003) resulted in saving the state $23 million in the first year. The office will continue to participate in subsequent tobacco diligent enforcement arbitration processes.

Charitable Gaming

During the 2013-15 biennium, licensed gaming organizations accepted wagers of $571 million, raising over $43 million for charitable uses (such as student scholarships, community crime prevention projects, financial and other assistance to injured and disabled veterans), and generated $6.8 million for the state's general fund.

Lottery Transfers

The Lottery Division transferred $13.3 million to the state general fund, $845,000 to the multijurisdictional drug task force grant fund and $400,000 to the compulsive gambling prevention and treatment fund for the 2013-15 biennium. For fiscal year 2016 the Lottery transferred $9.6 million to the state general fund.

CURRENT AND FUTURE CRITICAL ISSUES

Fentanyl, Heroin, and Other Illicit Drugs

More serious than the increase in the number of narcotic cases is the complexity of the cases that occur. Human drug traffickers are bringing drugs, especially methamphetamine, heroin, heroin cut with fentanyl and heroin cut with carfentanyl into the state directly from the international cartels in much greater quantities. Law enforcement is also reporting that almost without exception traffickers are heavily armed.

An alarming trend seen in 2016 is the enormous increase in heroin, heroin cut with fentanyl, fentanyl, heroin cut with carfentanyl and overdoses in relation to these drugs. Fentanyl has resulted in several overdoses as it takes just 2 milligrams, the weight of a mosquito, to be fatal. Prior to 2016 heroin was relatively rare. Heroin and heroin laced with fentanyl are gaining an alarming foothold in North Dakota. Carfentanyl, which is a derivative of fentanyl, is an extremely dangerous and potent drug often found mixed with heroin. Carfentanyl is approximately 100 times more potent than fentanyl and 1 drop in liquid form absorbed through the skin would be enough to kill someone. Carfentanyl is used primarily as a tranquilizing agent for elephants and other large mammals.

Naloxone temporarily counteracts the effects of opiate overdoses (administered by medical staff) and is being increasingly used to counteract the increasing number of overdoses in the state.

Criminal Investigator Work Demands

The increase in the state's population due to the energy industry and good business climate continues to be very taxing on Bureau of Criminal Investigation (BCI) criminal investigators' time, resources, and well-being. Criminal investigators are investigating crimes that have not traditionally occurred in this state, including: gang activity, murder for hire, and organized crime including organized drug trafficking and human trafficking crimes. This new, very mobile workforce is responsible for not only trafficking drugs from their home state but also introducing new drug producing methods. Although the mobile workforce related to the energy industry has decreased, criminals have stayed and are responsible for trafficking drugs from their home state. Most North Dakota counties' populations remained steady and did not experience a significant growth reduction.

This biennium the office added eight criminal investigators, seven of which were placed in western North Dakota. Two criminal investigators were assigned to a new office in Watford City. BCI has not experienced any type of workload slowdown in any part of the state from the post-oil boom. Heroin use is at an all-time high. Heroin laced with the deadly compounds fentanyl and carfentanyl has resulted in numerous overdoses and overdose death investigations for office criminal investigators. Marijuana, prescription drug abuse, and methamphetamine (meth) are still prevalent. The 10 drug task forces around the state continue to be busy. BCI is part of each of these task forces and has a criminal investigator assigned as a supervisor to all but one of the task forces. The office continues to deal with organized drug trafficking organizations in all parts of the state.

Aside from continued drug enforcement, criminal investigators have been continually busy with general investigations including homicides, multi-county burglaries, officer involved shootings (including one officer death), and have seen an increase in agency internal investigations and other numerous regular cases. The office has trained and equipped a group of criminal investigators to respond to and process crime scenes. The training consists of 10 weeks at the National Forensic Academy in Tennessee and the office now has three crime scene units to bring specialized equipment and staff wherever needed. These crime scene units now respond to crime scenes in departments of every size including Fargo, Grand Forks, Minot, Mandan, Bismarck, Williston, and throughout the state. These crime scene trucks and teams are located in Williston, Bismarck, and Grand Forks.

The office's cybercrime unit continues to see an increase in child exploitation investigations which include operations with local law enforcement targeting adults wanting sex with children. Forensic computer examinations continue to be a large part of this unit. Office criminal investigators have assisted the FBI and BIA with reservation

cases to include crime scene investigations of federal officer involved shootings. The Dakota Access Pipeline (DAPL) events have put heavy demands on these criminal investigators, keeping them extremely busy and resulting in significant overtime and travel expenses. This event generated so much work that BCI had agents coming from across the state and from South Dakota and Wyoming to assist Morton County with DAPL activities.

Other cases similar to DAPL were the Dru Sjodin case in Grand Forks and the Moe Gibbs case in Valley City. Both of these cases were high profile homicides that local law enforcement relied on BCI to investigate. BCI is expected to be the best trained and equipped agency that local, state, and federal law enforcement rely on. For fiscal year 2016, fifty-one sworn criminal investigative personnel opened 1,030 new cases. The office has never gone over 1,000 law enforcement cases in its history. In 2010, the number of cases totaled 857. The case average from 2010 to 2016 has been 839.

The new positions received last session have enabled the office to conduct some proactive investigations and participate in some larger cases with federal partners, while providing additional support to local law enforcement.

Implementation of Medical Marijuana

Implementation of the medical marijuana measure as currently proposed in Engrossed Senate Bill No. 2344 is estimated to result in 1,274 criminal record checks for compassionate care centers and/or compassion caregivers in the 2017-19 biennium and about 2,600 in the 2019-21 biennium. The office will need one identification technician position in the 2017-19 biennium and an additional identification technician position in the 2019-21 biennium, when the number of criminal history record checks increases.

The Department of Health may have numerous court processes take place as any appeal to the medical marijuana law is now going to go to Burleigh County District Court. This will likely impact legal staff if this occurs frequently.

Marijuana is the most commonly used illicit drug in the United States and in North Dakota. In North Dakota in a 2015 Uniform Crime Report nearly 52% of narcotics violations involved marijuana. A 2014 National Survey on Drug Use and Health reported that of the 27 million people associated with illicit drug use, 22 million had used marijuana or hashish, 81% of the total.

Marsy's Law Implementation

If this office is designated as the primary victim notification center, the SAVIN system vendor estimates it will take about two years to upgrade the system to comply with Marsy's law. Until then, the prosecuting attorneys will serve as the central location.

The office has received responses from city and state's attorneys that the burden of serving as the conduit for victim notifications is expensive, and in some cases, cost prohibitive. Much of the criminal justice activity about which victims need to be notified in a timely manner occurs outside of business hours for prosecuting attorneys.

The current North Dakota Statewide Automated Victim Information and Notification (SAVIN) registration system was designed to automate notifications to comply with Fair Treatment Standards, which include basic notifications for court cases, incarceration, and protection/restraining orders (N.D.C.C. chapters 12.1-34 and 12.1-35). Marsy's law has additional notification requirements beyond the current SAVIN system capabilities.

To comply with the measure as passed, it is estimated to cost $815,000 from the general fund (1 part-time temporary - $73,000; and $742,000 in operating – these are primarily one-time costs). A determination needs to be made regarding the entity responsible for the cost of victim notification cards which need to be provided to each individual contacted as a possible victim to comply with the law.

The office may see an increase in calls for assistance where a victim states that their rights were either not explained to them or their rights were explained and they were not given the proper option to assert those rights. This can include increased assistance to either law enforcement or state's attorney's offices. Each of these claims will need office assistance as law enforcement and state's attorney's offices may be viewed as having a conflict of interest. The office may see an increased workload as the state of North Dakota and its state law enforcement officers may be taken to court for not providing the victim cards or allegations of not assisting in the activation of the victims' rights.

Criminal Investigators Salary Issue

The office has historically attempted to recruit and hire experienced investigators from local agencies or other state agencies to fill criminal investigator positions. The office's hiring requirements include five years of law enforcement experience, a bachelor's degree, and to be licensed as a peace officer. In order to acquire and retain investigators with the above qualifications the office must offer higher salaries.

It has been difficult to hire these individuals in the last few years due largely to the office's limited salary levels, including the starting criminal investigator salary. Because of the substantial crime increase throughout North Dakota, calls for assistance, and population growth the office has been concentrating on retaining experienced and trained investigators. The office needs these experienced investigators to combat the organized and dangerous criminals in North Dakota. BCI criminal investigations have become much more sophisticated, detailed, and time consuming than in the past. For all these reasons the office needs to continue to hire and retain experienced investigators to serve the public and keep the public safe.

This office's request includes continuing the $1,026,301 (from the general fund) appropriation approved in the 2015-17 biennium for investigator equity increase due to the above reasons and based on local law enforcement and Highway Patrol salaries and related benefits. Other public law enforcement agencies expect the office's BCI staff to have the expertise they may not have.

Intelligence Analysts – North Dakota State and Local Intelligence Center and Western North Dakota

With the ever-increasing demands on law enforcement throughout North Dakota, the need for sharing criminal intelligence is of the utmost importance. The North Dakota State and Local Intelligence Center (SLIC) under the Department of Emergency Services is comprised of state and federal law enforcement agencies, as well as the North Dakota National Guard Counter Drug program personnel. The mission of the North Dakota SLIC and the role of the analyst is to collect, store, analyze, and disseminate information on both real and suspected crimes to the law enforcement community, government officials, and private industry concerning dangerous drugs, fraud, organized crime, terrorism, and other criminal activity for the purposes of decision making, public safety, and proactive law enforcement.

These civilian (non-sworn) intelligence analyst positions provide vital investigative support to various law enforcement agencies in North Dakota, as well as throughout the nation. Job duties of these positions include inputting data from ongoing investigations, search warrants, traffic stops, etc., into a centralized intelligence database; conducting trend analyses, statistical studies, link analyses, and case support; and providing targeting information to the various local, state, and federal law enforcement agencies.

The above demands have caused a substantial workload increase for the analysts due to the constant need to monitor and tally all available statistical data requested by policymakers. The development and production of multi-fusion center related analytical products are a yearly requirement in order to obtain Department of Homeland Security grant funding for the fusion center.

Information Technology Division Infrastructure and Program Needs

The office's BCI and Crime Lab operations rely heavily on the expertise and skills of the office's Information Technology (IT) Division to develop new programs and maintain and support new and existing projects. Between 80-90% of all IT services used in this office are for the BCI and Crime Lab.

It is essential that the IT Division receive the funding, staff, and other resources needed to ensure that critical internal and external existing programs function efficiently, that project funding deadlines can be met, and delays in development are kept at a minimum. Some of the systems BCI uses daily are outdated and/or ineffective and

need immediate attention in order to ensure continued work productivity. Unfortunately, funding and staff to support and upgrade these systems is not readily available, and as a result, delays in upgrades and support are frequent due to the competing demands for limited IT services.

OFFICE OF ATTORNEY GENERAL BUDGET ISSUES AND REQUESTS

Office/State Impacts Due to 10% General Fund Reduction

The vast majority of the office's staff (81%) provides legal/law enforcement services to state and local entities by law. General fund reductions at this level significantly impact the office's ability to assist with local law enforcement cases, provide training and hands-on legal and law enforcement support, purchase needed supplies and equipment, travel to other locations, and to assist law enforcement throughout the state.

Governor Dalrymple required state agencies to submit budgets reflecting 10% general fund reductions (90% budgets). For this office it translated into a $5.17 million general fund reduction. As a result of this, the following are the general fund reductions made by this office:

1	An auditor
3	Administrative assistants - requested funding source change for one position and one was a reduction in force due to the allotments
1	Forensic scientist
1	Intelligence analyst - requested funding source change
6	Total positions reduced/funding source changes

Position funding sources were changed wherever possible which is a temporary solution. Where retirements occurred, staff filling these positions were paid less than the previous person. Abortion litigation fees were removed.

In addition, general fund operating expenses (including criminal investigator and deputy fire marshal business travel, IT contractual services used to replace lack of staff), were reduced by $1.8 million. CJIS expenses were reduced by $369,000 related to IT projects for law enforcement, victims, and state's attorney's staffs.

The 2015-17 law enforcement line expenses were reduced by $1.03 million which impacts the timeliness of information such as sex offender registration, reduced temporary assistance and criminal investigator overtime used for extra assistance provided to state and local law enforcement when dealing with drawn out and complex

law enforcement cases, and operating expenses such as travel, crime scene supplies, training, and other case supplies. Fire Marshal services operating used to assist locals was reduced by $84,500. The Intellectual Property attorney operating expenses were reduced by $19,000.

OFFICE OF ATTORNEY GENERAL ADDITIONAL REDUCTIONS RECOMMENDED BY GOVERNORS DALRYMPLE AND BURGUM AND HOUSE ACTIONS FOR ENGROSSED HOUSE BILL NO. 1003

Governor Dalrymple's recommended budget included the following reductions in addition to the 10% general fund reductions required for the 2017-19 biennium.

Staff Reductions:

- 2 vacant criminal investigative positions left open due to the general fund allotments
- 1 previously vacant system administrator, now filled
- 1 vacant identification technician, who performs criminal history record checks, and remains vacant due to the general fund allotments
- Changed the funding source for 1 filled criminal intelligence analyst which was vacant due to the general fund allotments
- 4 filled criminal investigative positions
- 2 at large filled FTE's
- 1 filled assistant attorney general
- 1 additional filled forensic scientist
- Changed the funding source for 1 filled BCI administrative assistant

Law enforcement overtime and office temporary salaries were also reduced. The above position reductions significantly impact the performance of the office's responsibilities, particularly in law enforcement assistance to locals since the criminal investigators, administrative assistants, identification technician, system administrator, forensic scientists, and an attorney are necessary to provide law enforcement services to local and state units of government.

The Governor's base budget recommendation included continuation of the criminal investigator and gaming audit staff market equity increases since these are not one-time expenditures. The recommendation also included $893,509 for 2017-19 biennium

compensation and benefit increases. Of the total, $818,534 is from the general fund, $8,139 is from federal funds, and $66,836 is from other funds.

The IT manual disaster failover process included in the Governor's base budget recommendation totals $130,153 from the general fund and is desperately needed to assure all IT systems can be recovered quickly in the event of a disaster. The office currently operates without such a system. If a large scale disaster occurs, it could take weeks to bring office systems back into operation, several of which are critical to all law enforcement. With this project recovery of all office IT systems/data will likely take 24-48 hours with only 1-4 hours of data loss.

The Governor's base budget includes an increase of $37,500 in other funds for tribal gaming auditing activities and $175,000 in other funds for increased statewide fire inspections.

Governor Dalrymple's recommendation reduced the office general fund budget by about $2 million.

Governor Burgum removed 2 more positions and $1.435 million from the general fund.

The House reduced the office's general fund appropriation by about $3 million and removed 3 more FTE's.

General Fund Allotments During the 2015-17 Biennium

The 6.55% general fund allotments for the 2015-17 biennium impacted the office as follows:

- The office delayed hiring 8 new criminal investigators and a criminal intelligence analyst which resulted in salaries and operating savings including rent, travel, various supplies, etc. – this also meant there were fewer services provided to local law enforcement and North Dakota constituents during this time;
- Laid off a full-time, filled administrative assistant position, resulting in increases to other staff members' workloads;
- Hired new staff at lower salaries;
- Left unfilled 10 positions which became vacant during the biennium;
- Reduced criminal investigator overtime used to keep investigative staff working after hours to assist in meeting local law enforcement needs;
- Applied a criminal investigator's retirement rate reduction;
- Eliminated all general fund Crime Lab laboratory testing supplies, which impacts criminal case evidence analyses completion and can result in using outdated methods to complete these analyses; equipment and building repairs were also reduced;
- Reduced IT contractual services, which has been used to fill IT programming gaps due to lack of staff – this results in less programs being rewritten,

completed, slowdown in program upgrades occurring, and affects maintenance needed for current IT systems, which hurts external customers who use the office's systems;

- Reduced professional, building, office and other equipment supplies, building rent, postage, printing, equipment repairs, telephone expenses, training, and professional services; and
- Decreased business travel, resulting in lower levels of services provided to local law enforcement entities.

Major Ongoing General Fund Increases/Decreases by the 2013 and 2015 Legislative Assemblies

2013-15 Biennium Ongoing Changes

- Federal stimulus funding source change for 2 criminal investigators, 1 grants administrative assistant, 2 criminal intelligence analysts and 2 forensic scientists - $1,335,443 from the general fund
- 2 criminal investigators and 1 administrative assistant - $457,146 from the general fund
- One forensic scientist to analyze synthetic drugs evidence and other drugs - $150,406 from the general fund
- Forensic scientist targeted market equity/certification increases - $171,000 from the general fund
- 1 programmer analyst and temporary salaries, operating - $486,856 from the general fund
- Crime Lab temporary forensic assistance - $87,026 from other funds
- 1 assistant attorney general to provide legal services to the Department of Trust Lands - $239,853
- Assistant attorneys general targeted market equity increases - $480,717 from other funds
- 1 Uniform Crime Registry administrative assistant - $116,143 from other funds
- 24/7 Sobriety Program implemented statewide - $121,390 from the general fund and $6,375,572 from other funds
- IT contractual maintenance for existing systems - $332,800 from other funds
- 1 organized criminal investigator - $211,471 from other funds
- Criminal history record checks required to possess a concealed weapon license - $232,761 in other funds

2015-17 Biennium Ongoing Changes

- Transfer - 7 ND University System attorneys and 2 legal assistants and related operating - $2,948,434 from the general fund and $438,061 from other funds
- Transfer - 4 Criminal Justice Information Sharing staff, 1 business analyst and operating - $5,401,701, $4,460,219 from the general fund, $650,000 in federal

funds and $291,482 in other funds. Of this amount $1,250,000 was for CJIS IT one-time projects and $250,000 was for a business analyst

- 2.5 assistant attorneys general to assist local law enforcement with increased crime including in western North Dakota - $653,016 - $490,328 from the general fund and $162,688 in federal funds
- Tobacco diligent enforcement arbitration legal services - $200,000 from other funds
- 2 paralegals - $307,379 from other funds
- 8 criminal investigators - $2,357,841 from the general fund
- 3 criminal intelligence analysts - $443,608 from the general fund
- 2 administrative assistants – sex offender registry and grants - $255,160 from the general fund
- 2 criminal history identification technicians added to address the substantial increase in authorized criminal history record checks - $310,536 from the general fund
- Targeted market equity changes for criminal investigators ($1,276,301 - $1,026,301 from the general fund and $250,000 from other funds) and gaming audit staff ($270,000 from other funds)
- 1 DNA forensic scientist - $177,761 from the general fund
- 1 gaming auditor - $82,907 from the general fund and $60,923 from other funds
- 2 concealed weapon administrative assistants - $261,766 from other funds
- IT software, licenses and supplies - $262,332 from the general fund

PROPOSED CHANGES TO 2017 ENGROSSED HOUSE BILL NO. 1003

1. The office requests continuation of the $1,026,301 from the general fund approved for criminal investigator targeted market equity adjustments to be able to hire experienced investigators to combat dangerous criminals in North Dakota and to retain well qualified staff to assist local law enforcement.

2. The office requests continuation of $270,000 in other funds for targeted market equity adjustments for Gaming audit staff.

3. The office requests restoration of two criminal investigators to continue to assist local law enforcement. BCI has not experienced any type of workload slowdown in any part of the state from the post-oil boom. Heroin use is at an all-time high. Heroin laced with the deadly compounds fentanyl and carfentanyl has resulted in numerous overdoses and overdose death investigations for office criminal investigators. Marijuana, prescription drug abuse, and methamphetamine (meth) are still prevalent.

4. This is a request to restore a forensic scientist removed from the office budget. A forensic scientist usually trains to work in DNA, drug chemistry, or toxicology. To lose a forensic scientist results not only in losing valuable, very technical experience; it also results in costly, specialized training walking out the door with the individual.

5. This $280,000 general fund project is to replace the Uniform Crime Reporting Repository (UCRR) system, which is reaching the end of its life and system support in the 2017-19 biennium. The UCRR system is the North Dakota repository of National Incident-Based Reporting System (NIBRS) information, as required by N.D.C.C. § 12.1-62-01.1. The statistics provided by the UCRR system are used across the state to provide information that is useful to policy-makers, community leaders, and law enforcement agencies so they understand criminal activity and develop better prevention and enforcement policies and techniques. State and federal agencies that are supplying grants to law enforcement agencies utilize the NIBRS statistics to see what crime statistics the law enforcement agency is reporting before awarding funds. Crime rates and trends are also important information for the public.

6. This project will rewrite the antiquated office-wide deposits system from DOS to .NET. The current application will not run on a 64 bit operating system (Windows 10, which is currently out and in use, is a 64 bit operating system). The deposit system has been unsupported by a vendor for a decade and the person who knew how to maintain it retired. The database fills up and the office has no way to empty it or add space. After conducting system analytics this request has become a much higher priority and the request is for $100,000 from the general fund. This system works in conjunction with several office systems and this DOS system is no longer workable given the upgrades/rewrites to the other office systems.

7. To cover the expenses of the additional criminal history record checks approved by the Legislature, the office will need 1½ identification technicians and $232,731 from the general fund. The office appropriation bill needs to include that all entities will pay for their record checks since some of the approved legislation was silent on this matter.

8. If this office is responsible to notify victims as a result of Marsy's law passage, to comply with the measure as passed, it is estimated to cost $815,000 from the general fund (1 part-time temporary - $73,000; and $742,000 in operating – these are primarily one-time costs). A determination needs to be made regarding the entity responsible for the cost of victim notification cards which need to be provided to each individual contacted as a possible victim to comply with the law.

2017 LEGISLATION HAVING A FISCAL IMPACT ON THE OFFICE OF ATTORNEY GENERAL

Ten criminal history record check bills have been passed by the first legislative chamber:

Engrossed House Bill No. 1060 provides for criminal history record checks for Department of Commerce volunteers paid by a child placing agency. The bill provides the record check fee will be paid by the child placing agency.

Engrossed House Bill No. 1087 provides for criminal history record checks for certified chiropractic clinical assistants. The record check fee will be paid by the individual.

House Bill No. 1132 provides for criminal history record checks for Job Service employees and contractors and is silent on the party paying the fee.

House Bill No. 1240 provides for criminal history record checks for Hemp producers and processors, which is paid for by the applicant.

Senate Bill No. 2090 provides for criminal history record checks for household members of early childhood service providers which are provided at a residence, emergency designees, and staff members and applicants for early childhood services licensure of early childhood service providers for which the Department of Human Services (DHS) can assess a $30 fee. The current fee for state/federal/fingerprint record checks is $40 which leaves $10 per applicant to be added to either the DHS or this office's budget.

Engrossed Senate Bill No. 2117 provides for criminal history record checks for DHS and social service agency contractors, provider applicants, providers, staff members of providers and individuals with 5% direct or indirect ownership interest that may have access to federal tax information.

Engrossed Senate Bill No. 2129 provides for criminal history record checks for all Tax Department employees (was formerly final applicants) and Tax Department contractors having access to federal tax information. Currently the final applicant record checks fees are not charged.

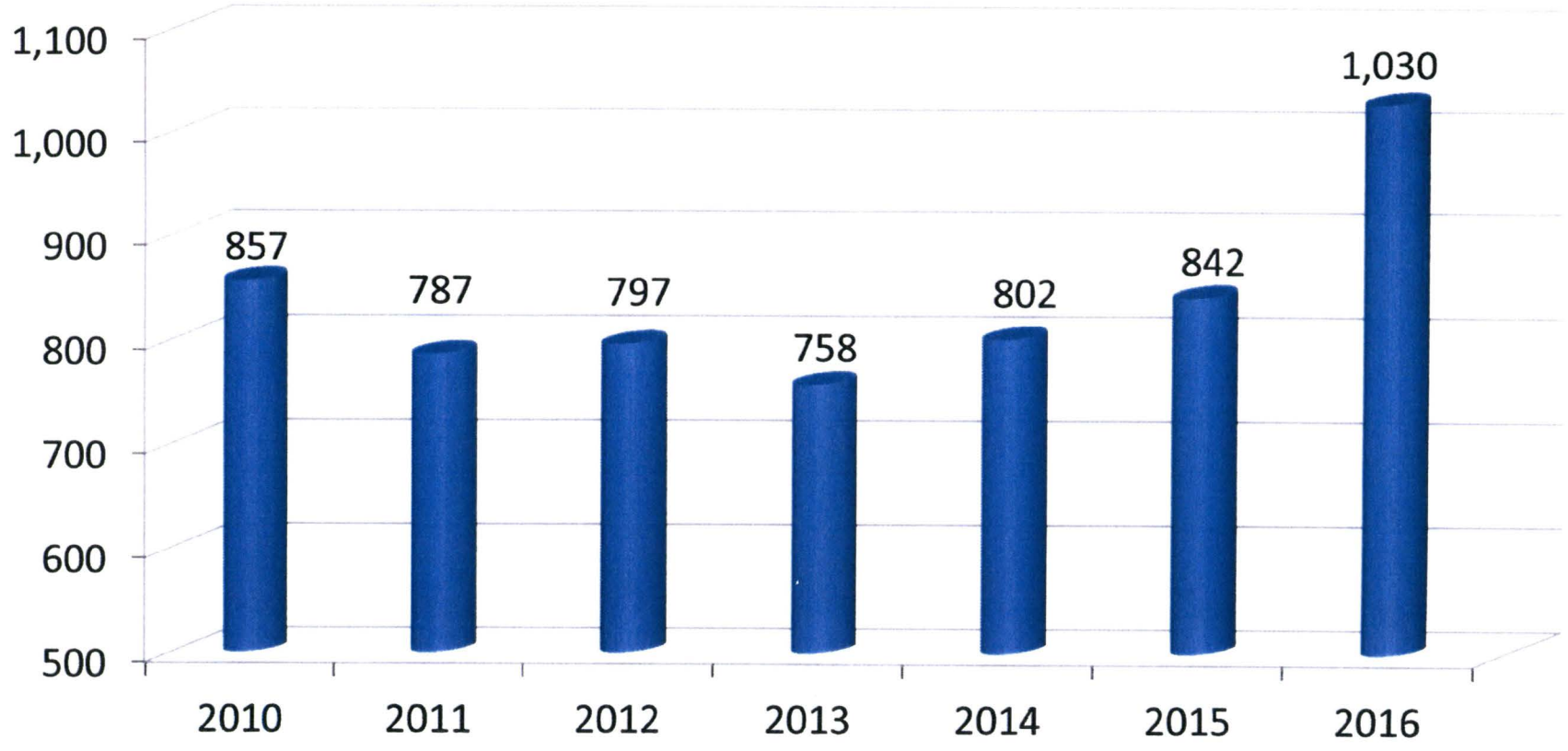
Engrossed Senate Bill No. 2131 provides for criminal history record checks for the North Dakota Board of Physical Therapists.

Engrossed Senate Bill No. 2221 provides for criminal history record checks for various horse racing licensees.

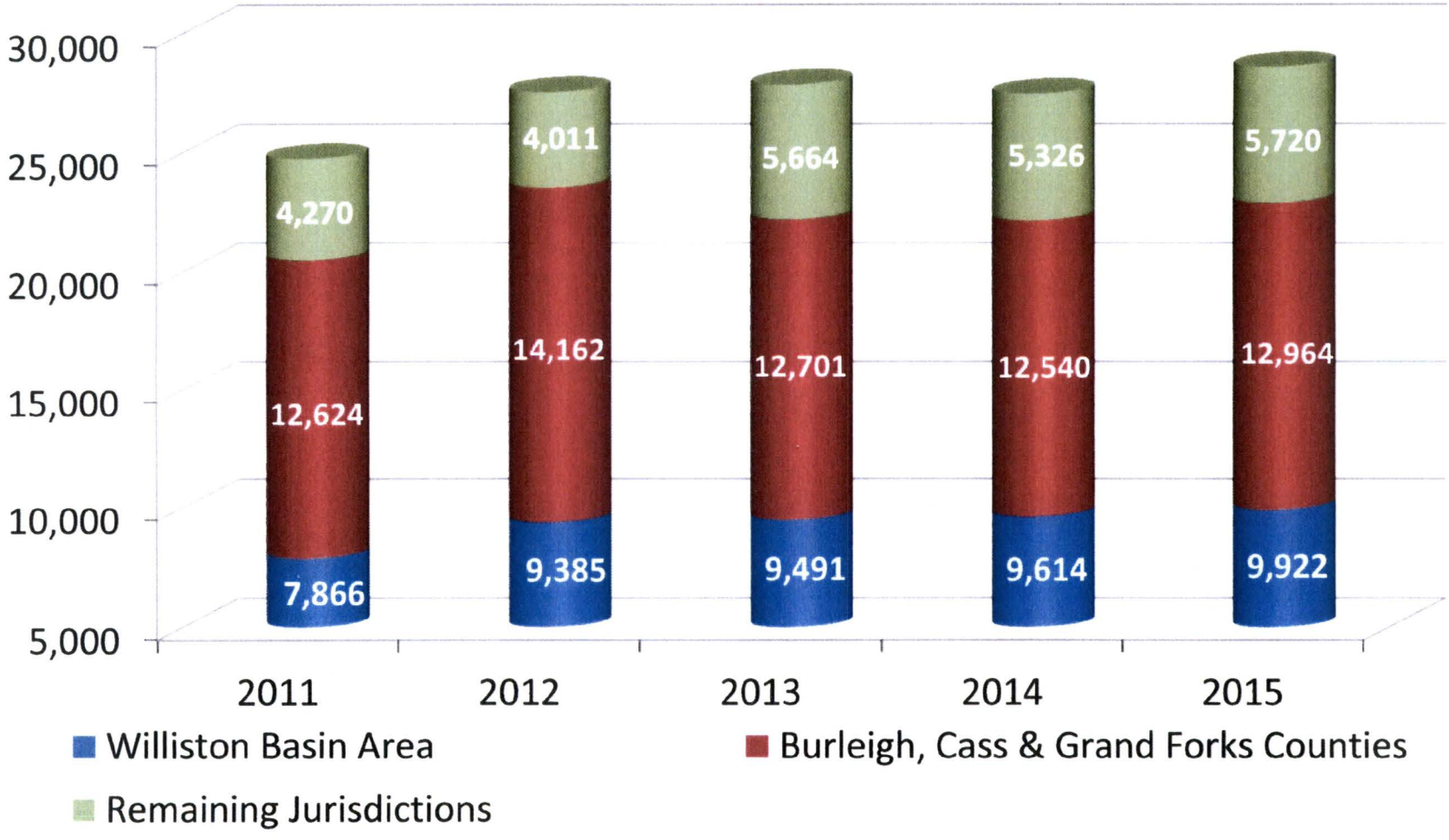
Engrossed Senate Bill No. 2344 provides for criminal history checks for a number of individuals related to medical marijuana.

The above criminal history record check bills, if passed, will result in needing one and one-half identification technicians to handle at least an additional 2,713 record checks contained in 2017 legislation.

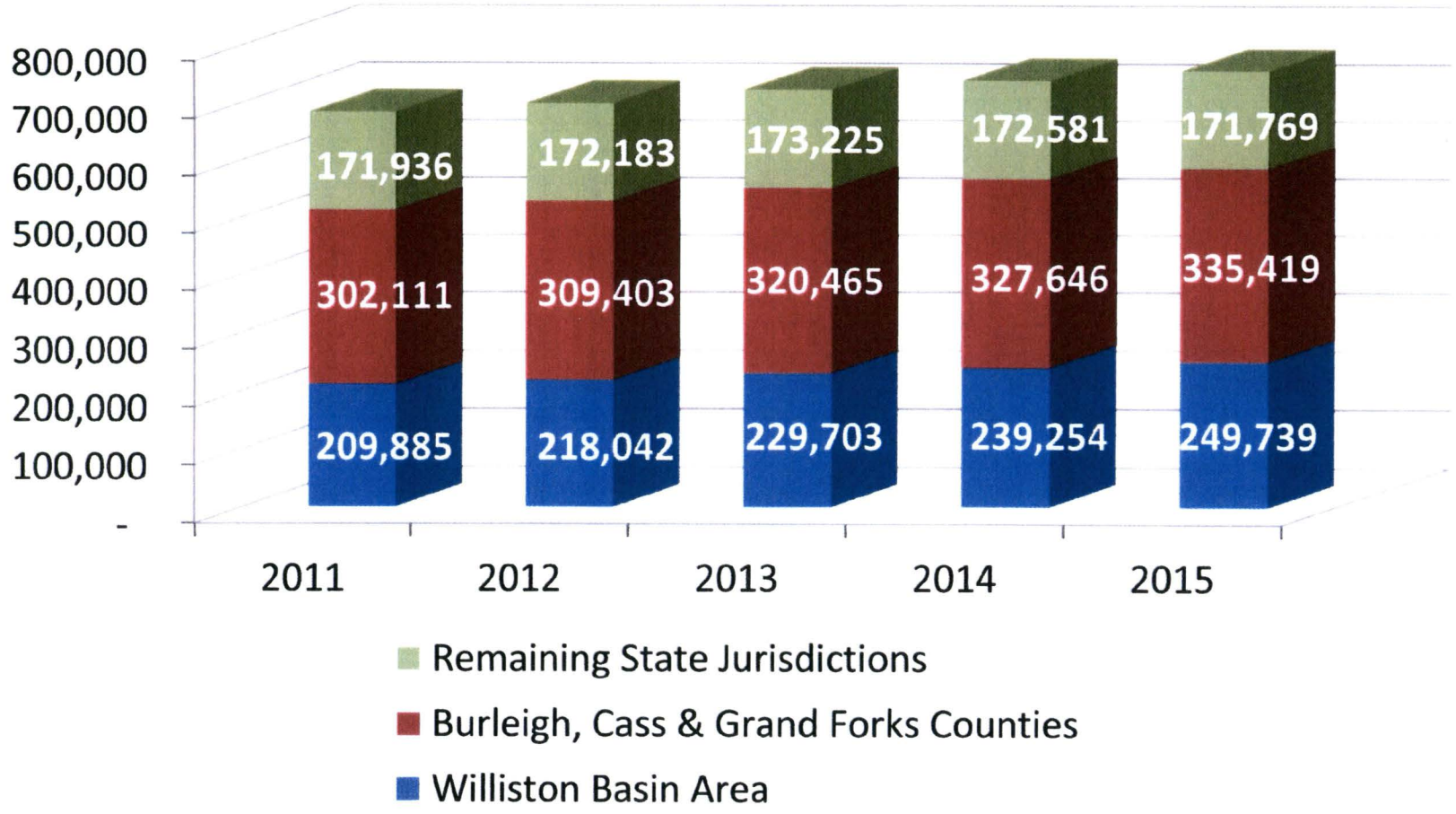
Office of Attorney General
Criminal Investigative Cases



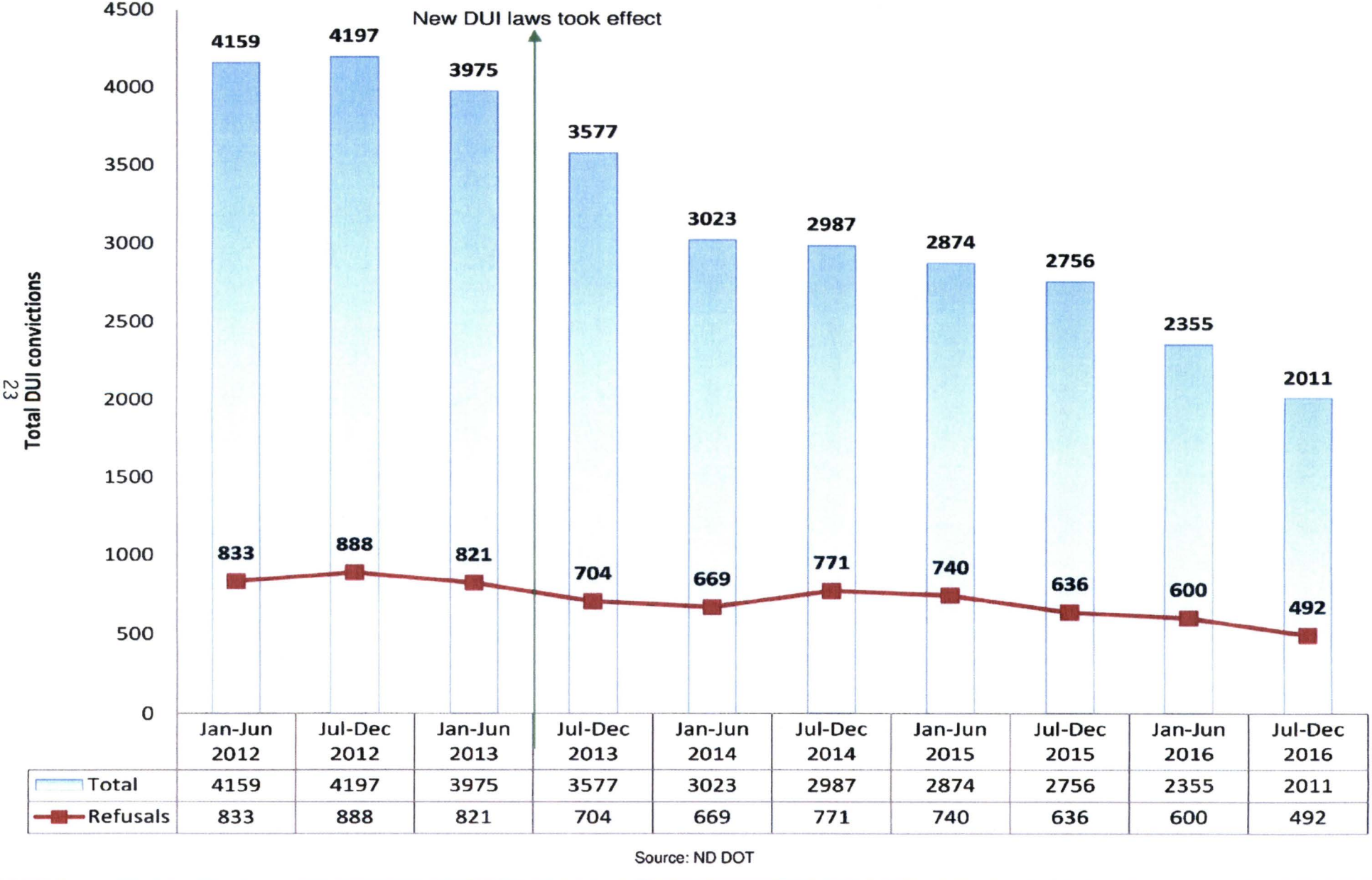
North Dakota Pre-Oil Boom, Oil Boom and Post-Oil Boom Arrests



North Dakota Pre-Oil Boom, Oil Boom and Post-Oil Boom Population



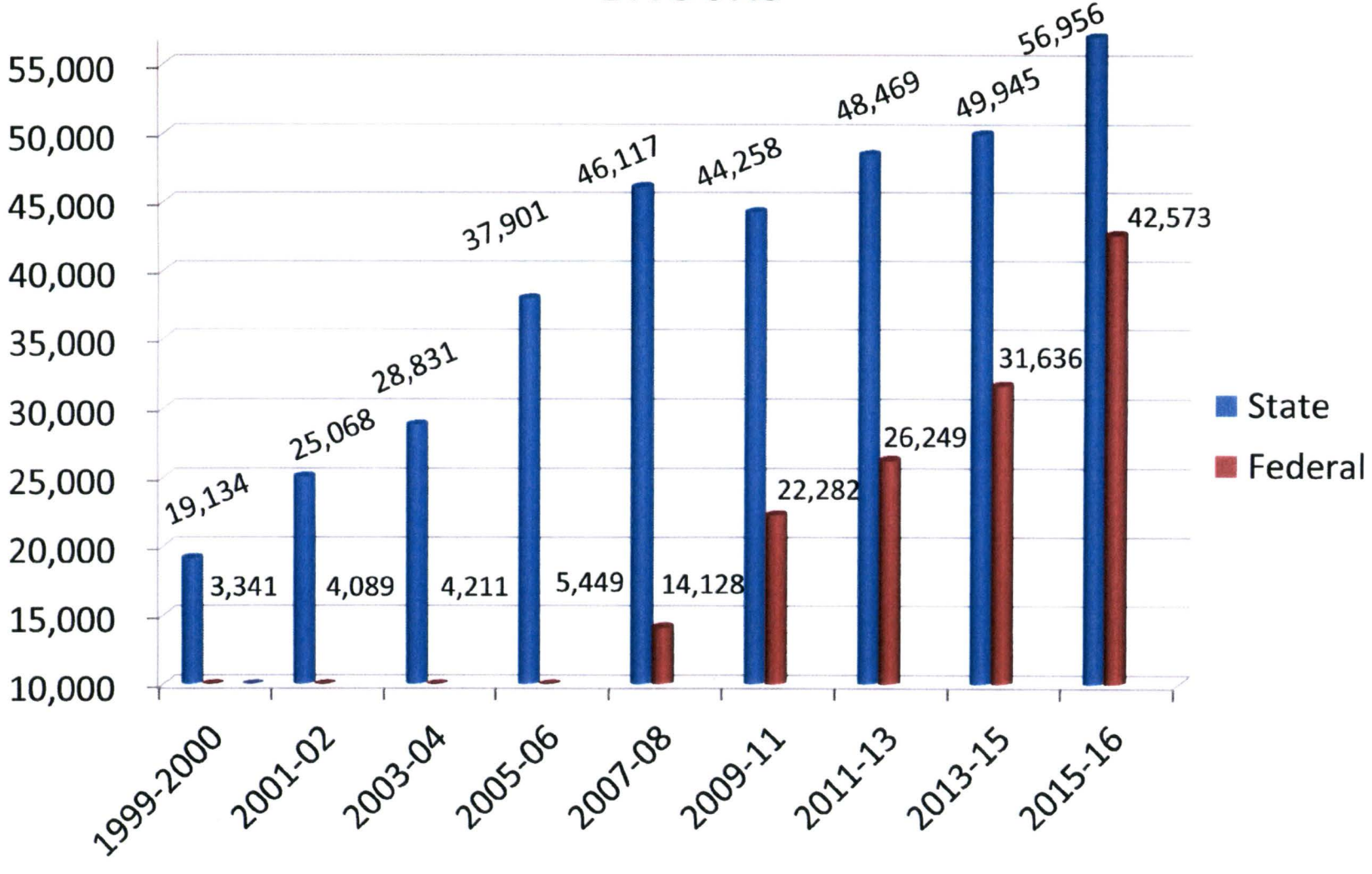
DUI Offense Convictions (through 12-31-16)

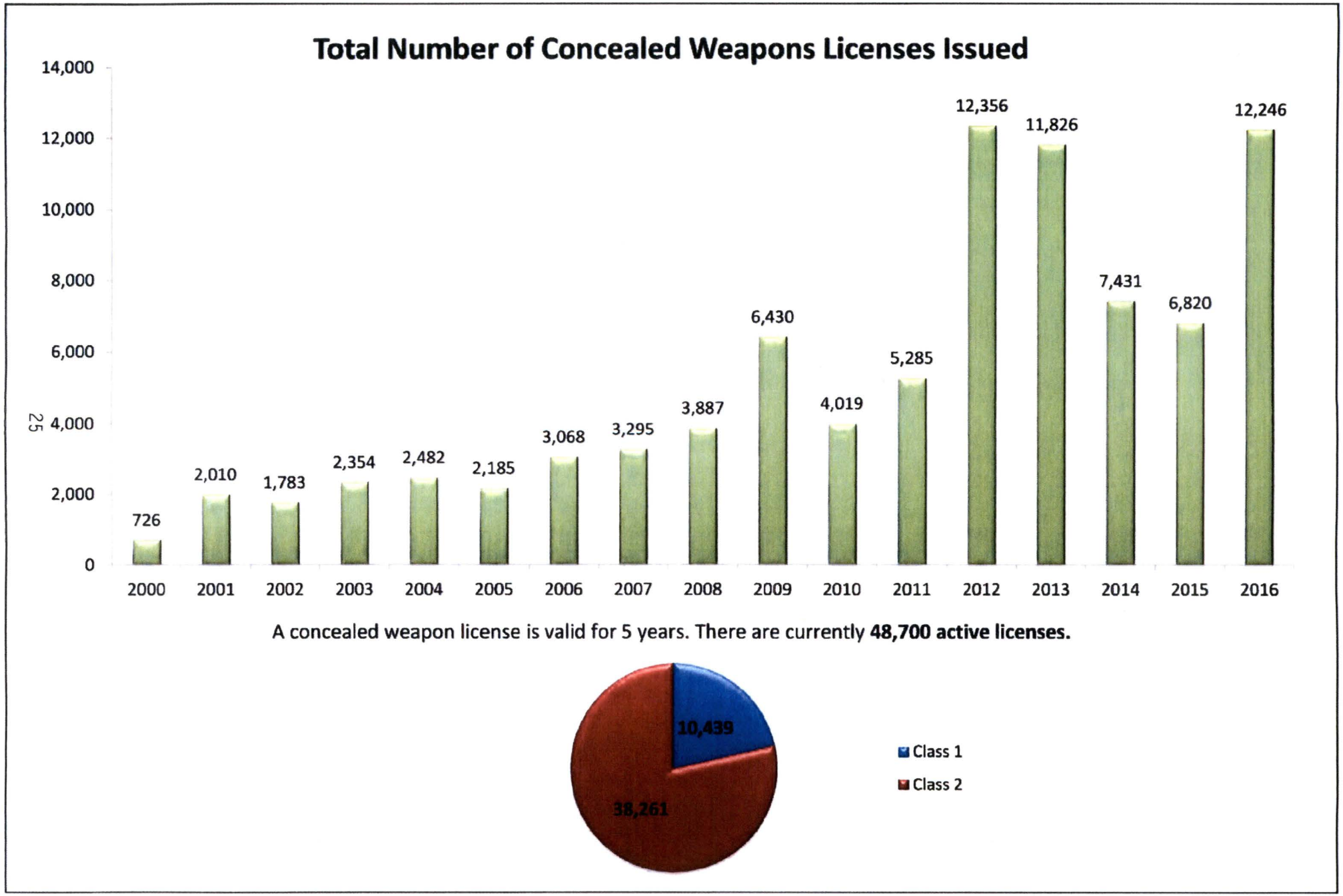


	Jan-Jun 2012	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016
Total	4159	4197	3975	3577	3023	2987	2874	2756	2355	2011
Refusals	833	888	821	704	669	771	740	636	600	492

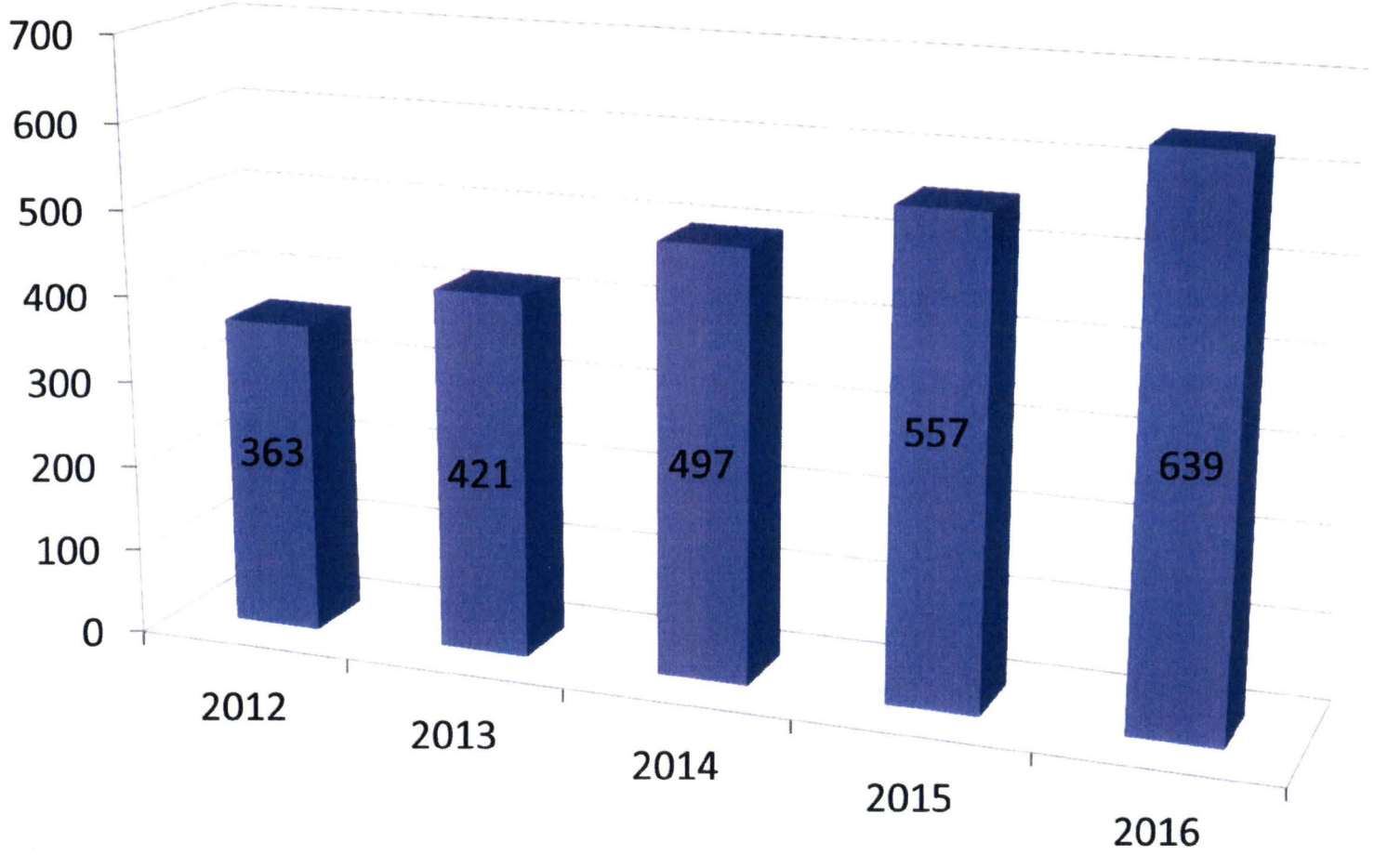
Source: ND DOT

State and Federal Criminal History Record Checks

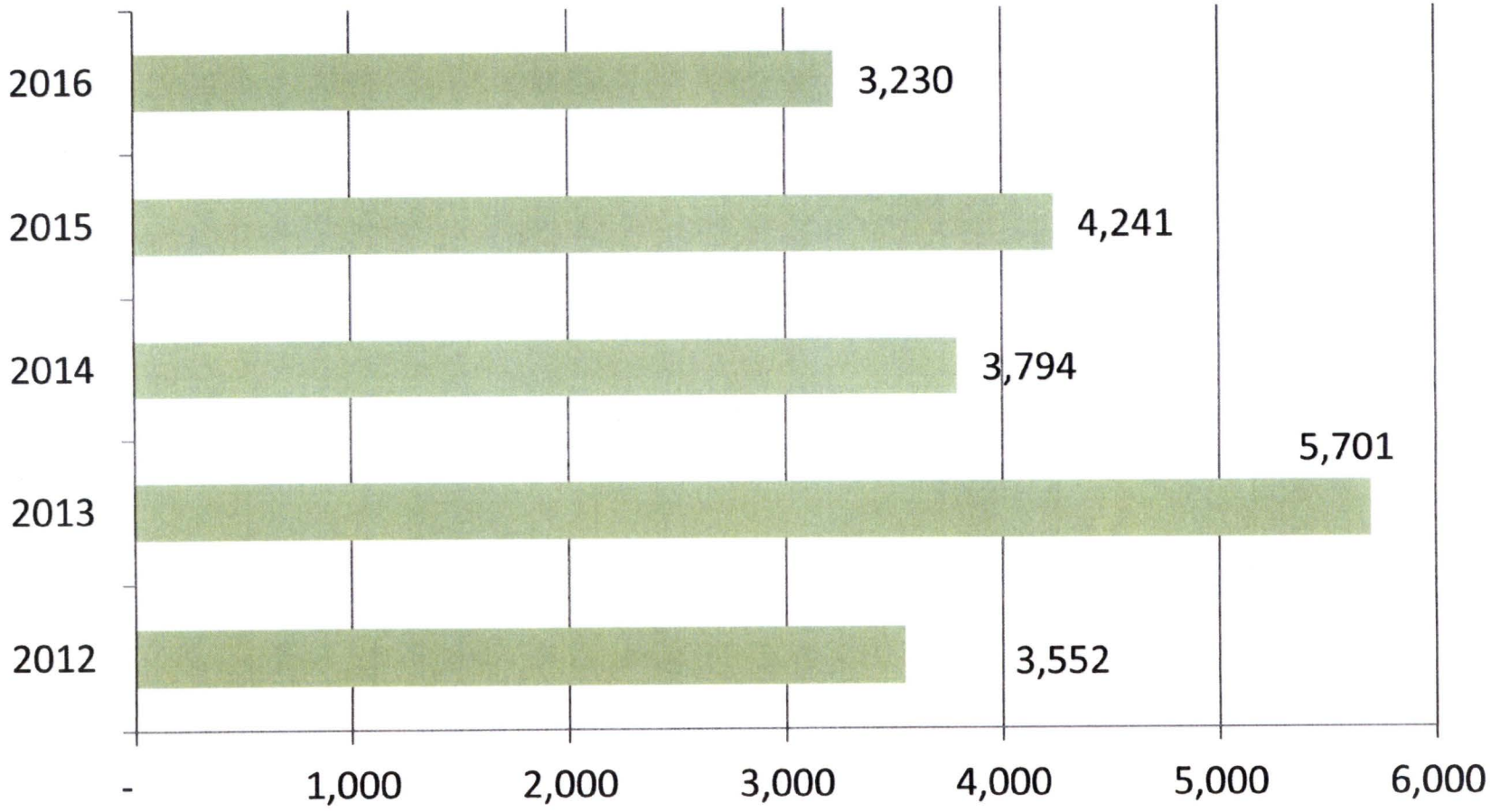



Total Number of Concealed Weapons Licenses Issued
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
726
2,010
1,783
2,354
2,482
2,185
3,068
3,295
3,887
6,430
4,019
5,285
12,356
11,826
7,431
6,820
12,246
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
A concealed weapon license is valid for 5 years. There are currently 48,700 active licenses.
10,439
38,261
Class 1
Class 2

Crime Lab DNA Caseload Submissions

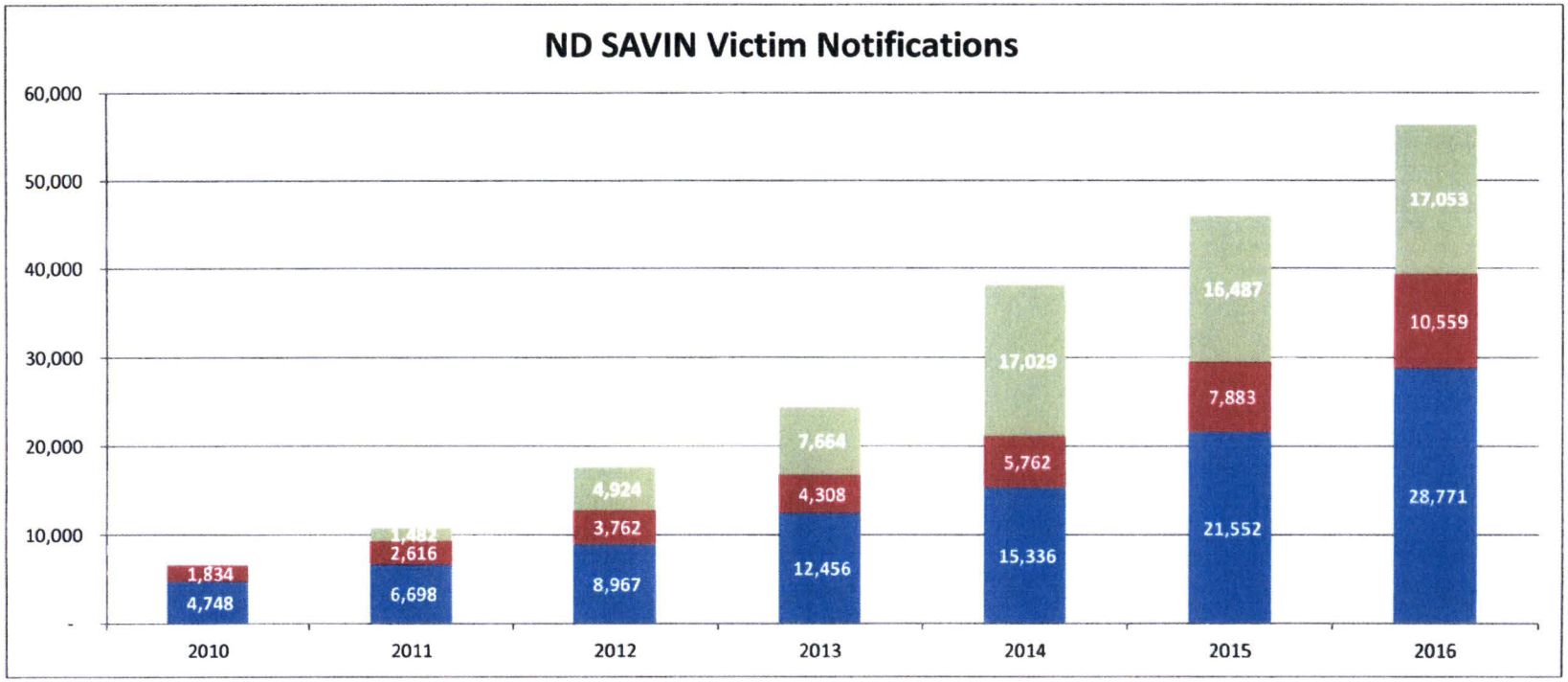


Crime Lab All Arrestees Samples



ND SAVIN Notifications (2010-2016)

	2010	2011	2012	2013	2014	2015	2016	Total
Incarceration Notifications	4,748	6,698	8,967	12,456	15,336	21,552	28,771	98,528
Parole & Probation Notifications	1,834	2,616	3,762	4,308	5,762	7,883	10,559	36,724
Court Notifications	-	1,482	4,924	7,664	17,029	16,487	17,053	64,639
Total ND SAVIN Notifications	**6,582**	**10,796**	**17,653**	**24,428**	**38,127**	**45,922**	**56,383**	**199,891**



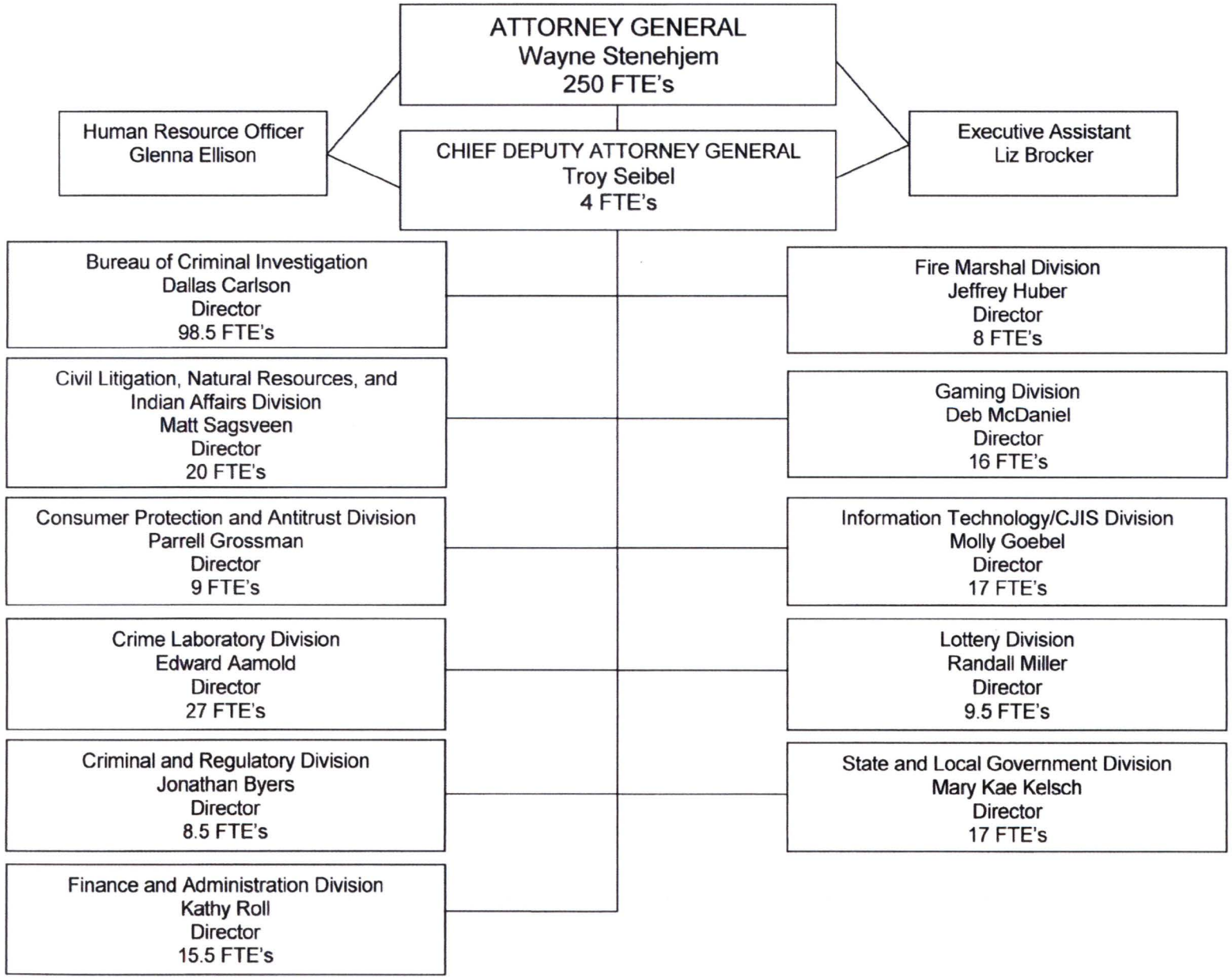
TOP 25 NARCOTICS CONSUMED IN NORTH DAKOTA FOR THE PERIOD FROM JANUARY THROUGH DECEMBER 2015 FROM CRIME LABORATORY CASES

Description	Total	Percent
CANNABIS	5,093	41.82
METHAMPHETAMINE	4,304	35.34
HEROIN	476	3.91
OXYCODONE	273	2.24
COCAINE	235	1.93
DIMETHYLSULFONE	143	1.17
ACETAMINOPHEN	125	1.03
ALPRAZOLAM	123	1.01
PHENYLIMIDOTHIAZOLE ISOMER UNDETERMINED	92	0.76
AMPHETAMINE	89	0.73
HYDROCODONE	88	0.72
CLONAZEPAM	80	0.66
MORPHINE	66	0.54
HYDROMORPHONE	60	0.49
CAFFEINE	52	0.43
BUPRENORPHINE	43	0.35
TRAMADOL	42	0.34
AB-PINACA	40	0.33
3,4-METHYLENEDIOXYMETHAMPHETAMINE (MDMA)	37	0.30
PSILOCYBIN/PSILOCYN	37	0.30
AB-CHMINACA	34	0.28
LORAZEPAM	26	0.21
NALOXONE	26	0.21
FENTANYL	23	0.19
LISDEXAMFETAMINE	23	0.19
Total Top 25 Drugs	**11,630**	**95.48**
Total of All Drugs	**12,179**	

TOP 25 NARCOTICS CONSUMED IN NORTH DAKOTA FOR THE PERIOD FROM JANUARY THROUGH NOVEMBER 2016 FROM CRIME LABORATORY CASES

Description	Total	Percent
METHAMPHETAMINE	4,155	35.86
CANNABIS	4,151	35.82
HEROIN	836	7.21
COCAINE	348	3.00
OXYCODONE	266	2.30
DIMETHYLSULFONE	205	1.77
ALPRAZOLAM	149	1.29
PHENYLIMIDOTHIAZOLE ISOMER UNDETERMINED	119	1.03
HYDROCODONE	107	0.92
CAFFEINE	78	0.67
AMPHETAMINE	74	0.64
CLONAZEPAM	73	0.63
ACETAMINOPHEN	62	0.54
FURANYL FENTANYL	56	0.48
FENTANYL	48	0.41
BUPRENORPHINE	42	0.36
TRAMADOL	40	0.35
DIPHENHYDRAMINE	36	0.31
MORPHINE	35	0.30
NALOXONE	35	0.30
HYDROMORPHONE	31	0.27
METHYLPHENIDATE	30	0.26
PSILOCYBIN/PSILOCYN	29	0.25
3,4-METHYLENEDIOXYMETHAMPHETAMINE (MDMA)	28	0.24
DIAZEPAM	26	0.22
Total Top 25 Drugs	**11,059**	**95.43**
Total of All Drugs	**11,587**	

NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
December 2016



HB 1003
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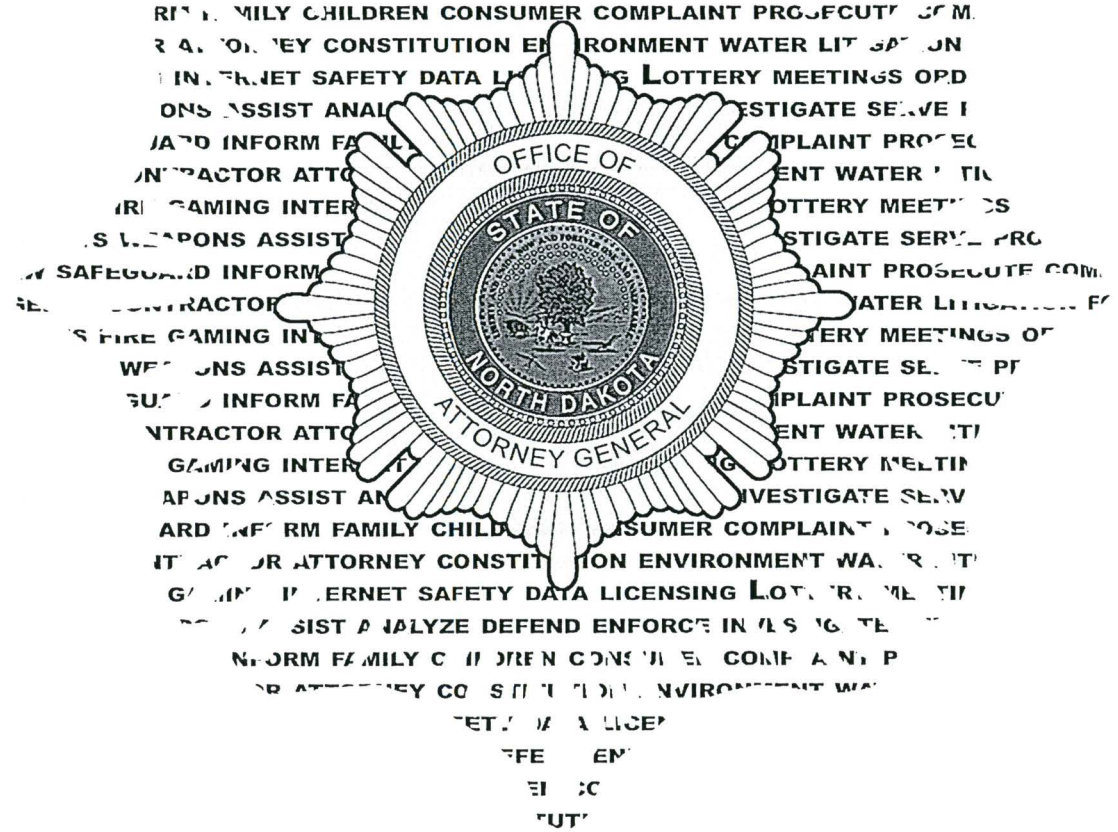
North Dakota
Attorney General

2013-2015
Biennial Report

North Dakota
Attorney General



2013-2015
Biennial Report

Table of Contents

OFFICE OF ATTORNEY GENERAL 1

The Elected Office, Duties and Functions 1
Defects in the Law, Finance 2
Attorneys General, 1889 - 2015 2
Special Assistant Attorneys General 3

REPRESENTING THE STATE 4

General Counsel 4
Protecting our Natural Resources 5
Environmental Litigation, Waters of the United States (WOTUS) 6
Oil & Gas Development and Enforcement, Fracking, Environmental Protection 7
Next Generation Energy Act Lawsuit 8

DEFENDING THE STATE'S RIGHTS 9

Division Services, Wage Claims 9
Litigation - Sam Sex Marriage, Commitment of Sexually Dangerous Individuals, Abortion Control Act 9
Tobacco Master Settlement Agreement - Enforcement, Inmate Lawsuits 10
Criminal Prosecutions, Criminal Cases, Drug Prosecutions 11

SERVING CRIMINAL JUSTICE 12

Criminal Investigations, Drug Trends 12
Bakken Strike Force, Law Enforcement Grants 13
Prescription Drug Take Back, Human Trafficking 14
Crime Statistics, Crime Scene Vans 15
Officer Involved Shootings, Criminal History Record Checks, Concealed Weapons Licenses 16
DUI and Refusal 17
24/7 Sobriety Program, North Dakota State Crime Laboratory 18
Synthetic Drug Submissions, Forensic Analysis 19
Looking Inside a Case File 19
Offender DNA Samples, Internet Crimes Against Children (ICAC) 20
Sex Offender Website, North Dakota Sex Offender Registry 21
Tribal Sex Offender Registries, Sex Offender Risk Assessments 22
Fire Marshal, Fire Safety Inspections, Bar & Restaurant Inspections, Arson Investigations 23

Table of Contents (cont)

SERVING THE PUBLIC **24**

Consumer Protection, Consumer Complaints 24

Top Ten Complaints, Data Security Breaches, Identity Theft, Do Not Call Violations 25

Pervasive Scams - Victim Stories: The Grandparent Scam, IRS Enforcement Scam, Foreign Lottery/Sweepstakes..... 26

Cease and Desist Orders, Contractor Licensing Requirements 27

Licensing, Gaming, Gaming Revenues 28

Quick Shot Bingo, Gaming Compliance, Tribal Gaming 29

North Dakota Lottery, 10th Anniversary 29

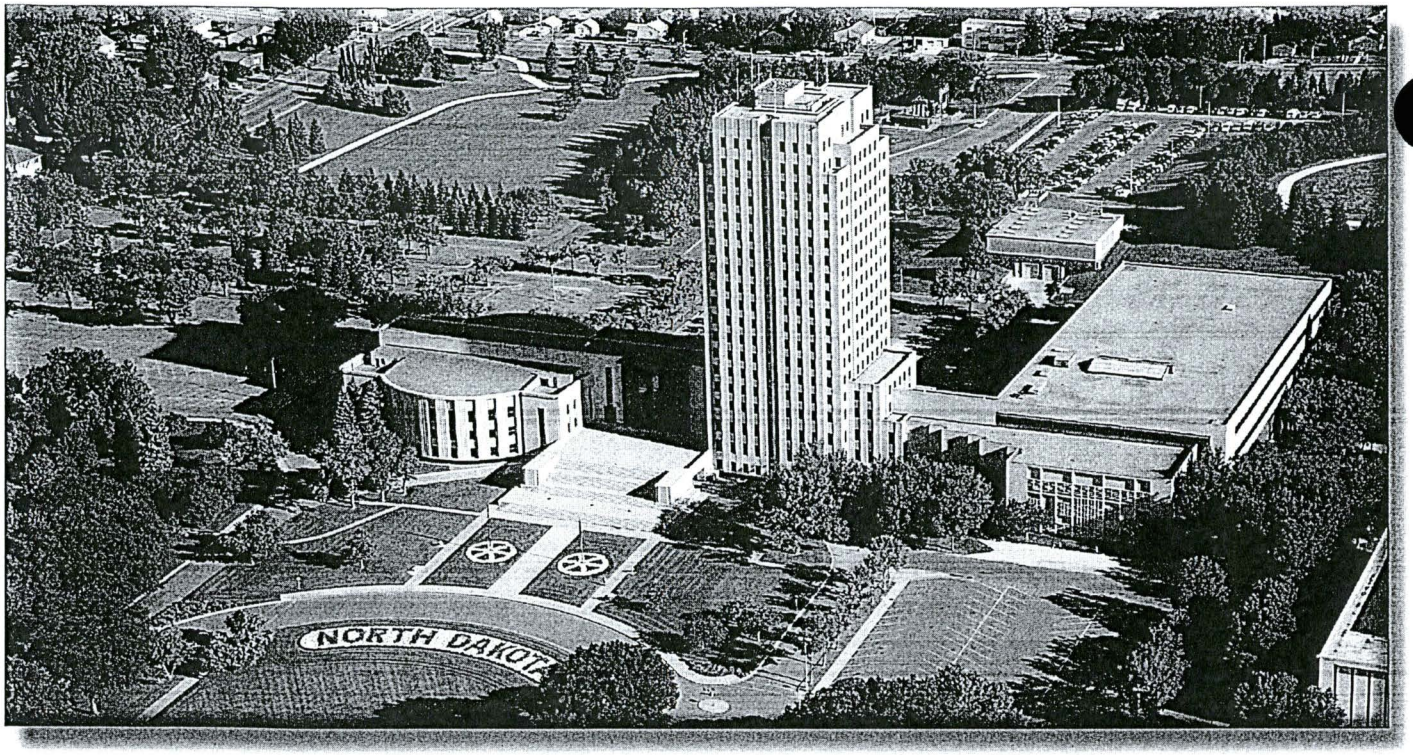
Lottery Generates Record Payouts, New Lottery Game, Players Club, Lottery Ticket Sales, Lottery Proceeds 30

INFORMING THE PUBLIC **31**

Quick Facts 31

LifeSmarts, Public Information 31

Fact Sheets & Publications, Reports & Manuals, Website 32



OFFICE OF ATTORNEY GENERAL

THE ELECTED OFFICE

The Office of Attorney General was established in the 1889 state constitution. The agency is headed by the Attorney General, an independently elected constitutional officer. The Attorney General is one of 12 statewide elected officials.

To be eligible for election to the office of Attorney General, an individual must be a licensed attorney, at least 25 years old, and qualified to vote in the state.

The Attorney General serves on numerous boards and commissions, including the Board of University and School Lands, Industrial Commission (which oversees all state-owned industries), PERS Board of Trustees, Judicial Council, Domestic Violence & Fatality Review Commission, and the Pardon Advisory Board.

Duties and Functions

The duties of the Attorney General are set out in several chapters of the North Dakota Century Code, but primarily in chapter 54-12.

The Attorney General represents the state in all legal matters, civil and criminal, where the state is named as a party or the state may have an interest in the outcome of the litigation.

The Attorney General issues opinions on questions of law related to matters involving state statutes, the state constitution, and matters having statewide significance. The office provides legal services to state and constitutional officers, state agencies, boards, and commissions.

The office enforces the open meetings and open records laws, and issues opinions in response to complaints that a public entity has violated those laws.

In addition to its legal duties, the Office of Attorney General has several divisions with regulatory or investigative functions:

- The **Bureau of Criminal Investigation** assists local law enforcement agencies with criminal and drug enforcement

investigations, maintains the criminal history and sex offender registration systems, and provides training for law enforcement officials.

- The **Consumer Protection and Antitrust division** (CPAT) enforces the state's consumer fraud and Do Not Call laws, investigates and prosecutes consumer fraud cases and enforces the state's anti-trust statutes.
- The **Fire Marshal's division** conducts fire safety training and inspections, regulates the sale, use and storage of explosives (including fireworks), inspects public buildings, day care facilities, and schools to ensure compliance with fire codes, and conducts arson investigations.
- The **Gaming division** regulates charitable gaming, and ensures compliance with tribal-state casino gaming compacts.
- The **Licensing** section regulates and issues certain wholesale, retail, and distributor licenses.
- The **North Dakota Lottery** division is responsible for the day-to-day operation of the lottery and its games.

Defects in the Law

North Dakota Century Code Section 54-12-05 requires the Attorney General to "direct attention to any defect in the practical operations of the law relating to revenue and criminal offenses and shall suggest amendments and changes as in the attorney general's judgment are necessary to subserve the public interest." No such defects were identified.

Finance

- The agency's budget was **$85,126,745.**
- **The 2013-15 revenues collected totaled $89,168,856.**
- The costs associated with defending and prosecuting actions on behalf of the state by attorneys **within** the Office of Attorney General totaled **$2.98 million.**
  - This is only **$380,000 (14%)** more than the litigation costs for the 2011-13 biennium.

ATTORNEYS GENERAL

Wayne Stenehjem	2001-
M. K. "Heidi" Heitkamp	1993-2000
Nicholas Spaeth	1985-1992
Robert Wefald	1981-1984
Allen I. Olson	1973-1980
Helgi Johanneson	1963-1972
Leslie R. Burgum	1955-1962
Paul Benson	1954-1954
Elmo T. Christianson	1951-1954
Wallace E. Warner	1949-1950
P.O. Sathre	1948-1948
Nels G. Johnson	1945-1948
Alvin C. Strutz	1937-1944
P.O. Sathre	1933-1937
Arthur J. Gronna	1933-1933
James Morris	1929-1932
George F. Shafer	1923-1928
Sveinbjorn Johnson	1921-1922
William Lembke	1921-1921
William Langer	1917-1920
Henry Linde	1915-1916
Andrew Miller	1909-1914
Thomas F. McCue	1907-1908
Carl N. Frich	1903-1906
Oliver D. Comstock	1901-1902
John F. Cowan	1895-1900
William H. Standish	1893-1894
Clarence A.M. Spencer	1891-1892
George F. Goodwin	1889-1890

Special Assistant Attorneys General

Several state agencies either have their own legal departments or choose to retain private attorneys on contract. In accordance with state law (N.D.C.C. Section 54-12-08), these attorneys are appointed as Special Assistant Attorneys General (SAAG) by the Attorney General, but are not employees of the Office of Attorney General. They are paid by the state agency that hired them.

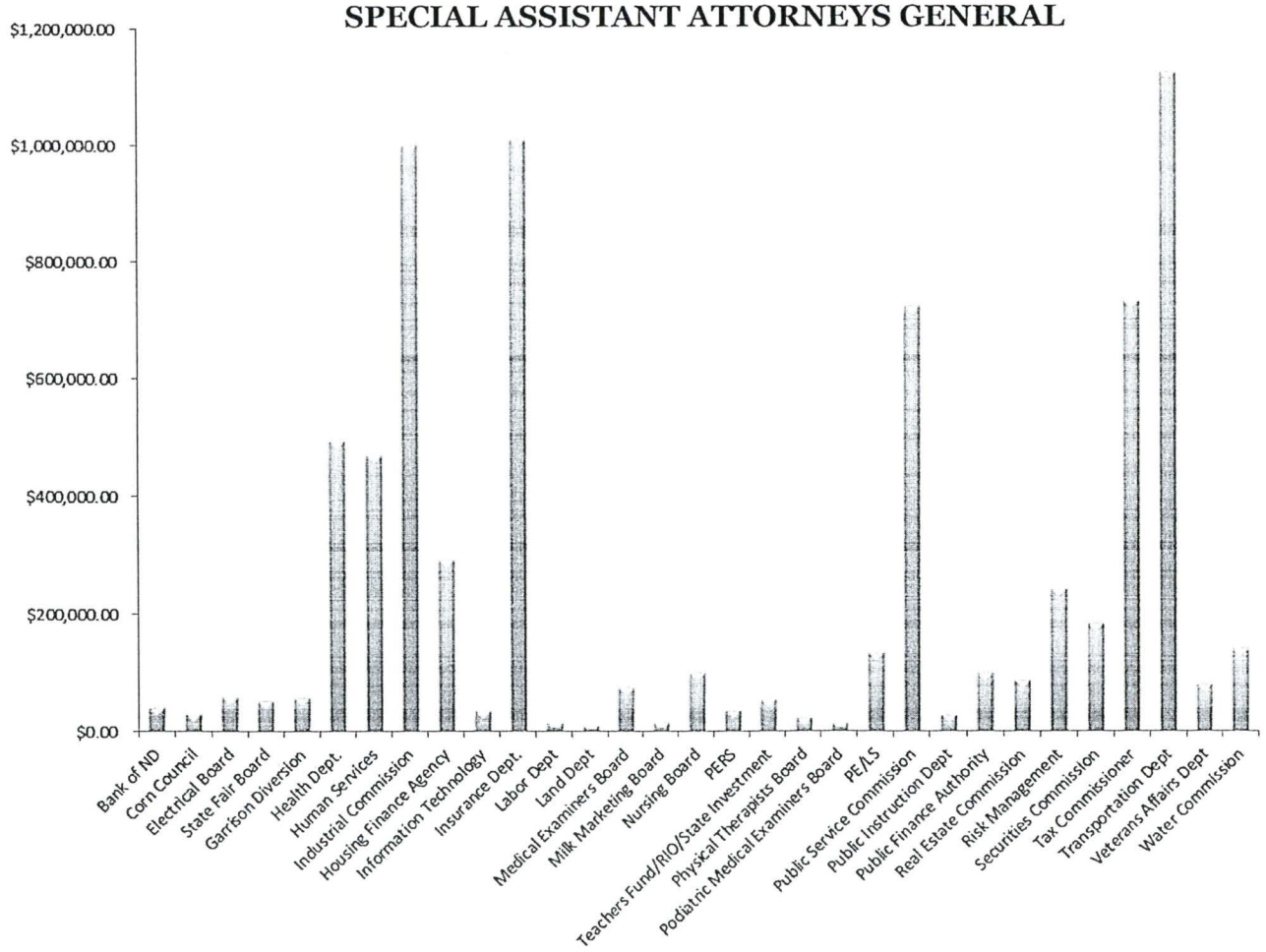
During the biennium, state agencies paid a total of **$16.83 Million** to these attorneys, including:

- Workforce Safety & Insurance —**$3.34 million** (up **25%** from $2.68 million last biennium); and
- University Systems—**$3.91 million** (up **38%** from the $2.83 million last biennium).

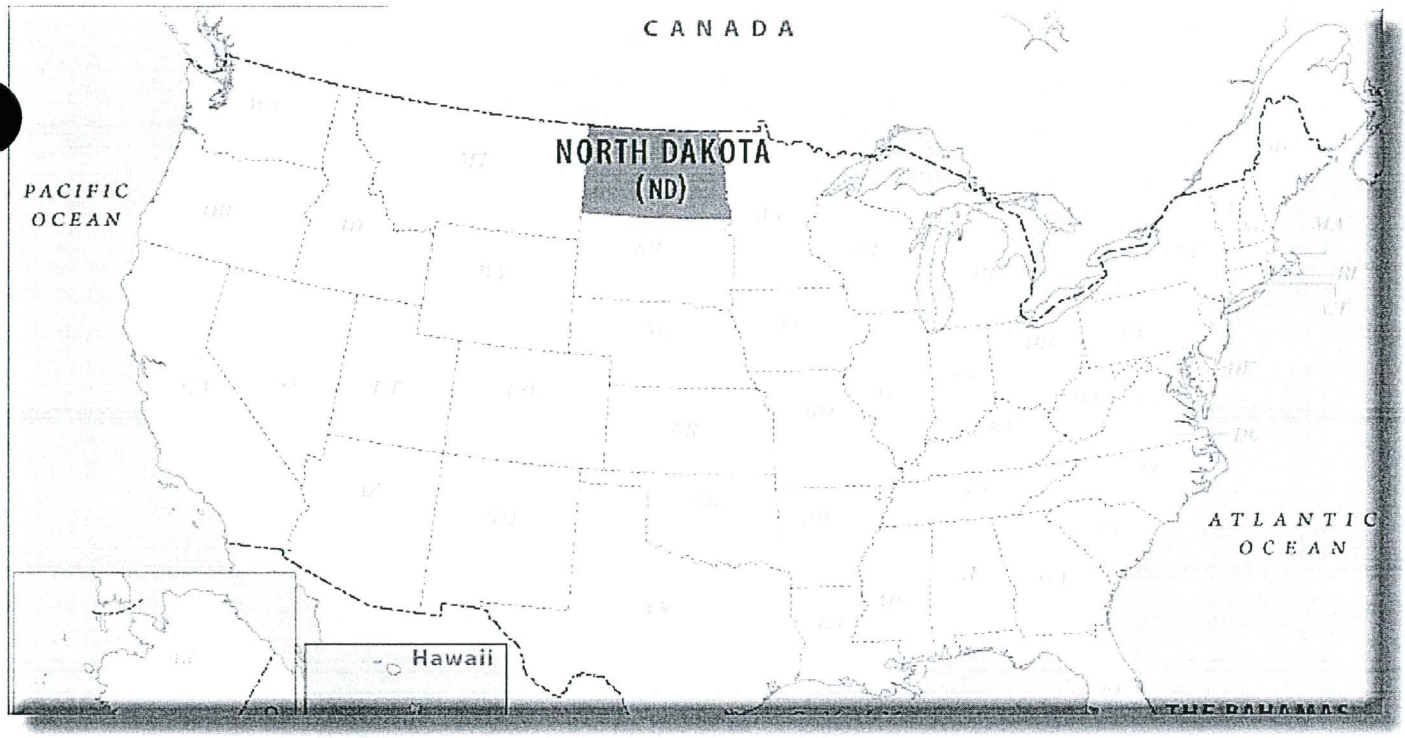
The 64th Legislative Assembly raised concerns about the increased costs incurred by the University System for legal services, both from attorneys employed within the University Systems and from the private attorneys under contract.

As a cost-saving measure, the Legislature transferred seven attorney positions from the North Dakota University Systems to the Office of Attorney General and required the positions to be filled competitively within the salary ranges authorized for the Office of Attorney General. The Legislature also directed the Attorney General to review the use of outside counsel by other state agencies. These legislative changes took effect after the reporting period. ◙

COSTS OF LEGAL SERVICES PROVIDED BY SPECIAL ASSISTANT ATTORNEYS GENERAL



This chart does not show ND University Systems or ND Workforce Safety & Insurance.
Agencies expending less than $10,000 in the biennium are also excluded.



REPRESENTING THE STATE

GENERAL COUNSEL

The **State & Local Government** division provides general counsel legal services to almost **70** state agencies, boards and commissions, drafts Attorney General opinions, reviews all administrative rules adopted by state agencies and boards, and assists agencies and members of the Legislative Assembly by drafting bills and amendments, and explaining the ramifications of proposed legislation.

Open Records and Meetings

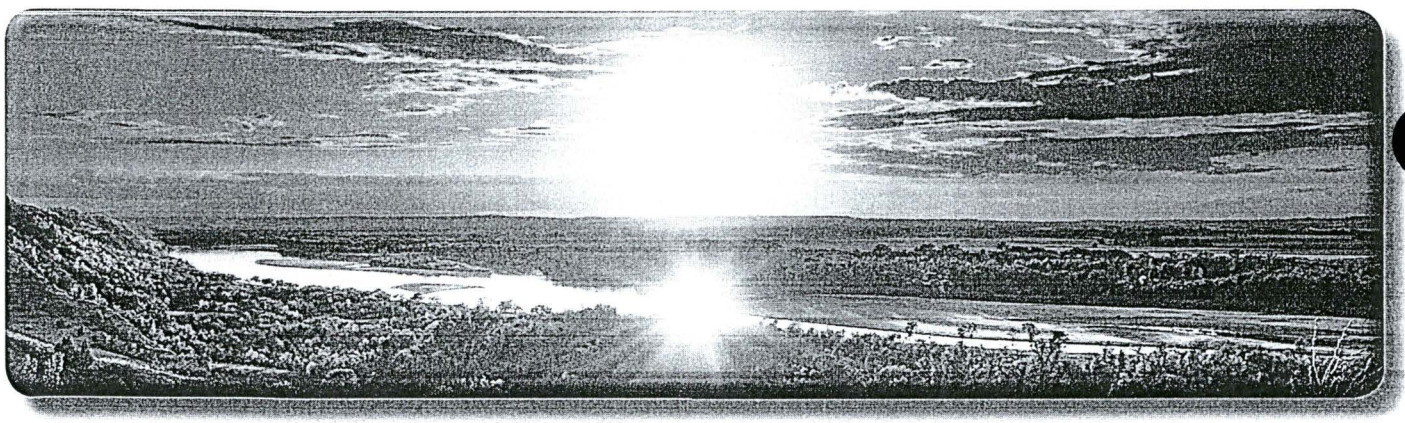
The division handled a large number of telephone calls from public entities and citizens regarding open records and meetings requirements. Responding by telephone eliminated many potential violations or opinion requests. The agency issued **44** opinions addressing alleged violations of the open records or open meetings, including:

- **NDSU RESEARCH PARK VENTURES LLC IS A PUBLIC ENTITY** (2013-O-19) – The North Dakota State University Research Park Ventures, LLC, is a public entity because it performs governmental functions for the city of Fargo and is created by statute. The Research Park violated the law when it denied a request for its records.
- **DEVELOPMENT FOUNDATIONS SUBJECT TO OPEN RECORDS AND MEETINGS LAW** (2014-O-08) – The NDSU Development Foundation is a public entity subject to the open records law because it performs functions governmental functions on behalf of NDSU. The Foundation broke the law when it denied a request for records on incorrect legal grounds and when it delayed its response for months even after acknowledging that it had responsive records.
- **CITY COMMISSION MEETINGS** (2015-O-04) – Members of a city commission violated the law when they engaged in a series of small gatherings to discuss the termination of the then-Chief of Police and negotiate a severance package, again when they held a special meeting without providing proper notice, and when they held an improper executive session.

Legal Opinions

The State & Local Government division drafted **24** legal opinions on questions of law related to matters involving state statutes, the state Constitution, and issues having statewide significance, including:

- **UNEMPLOYMENT BENEFITS FOR LOCKED-OUT WORKERS** (2013-L-07) An individual cannot receive unemployment benefits if the unemployment is due to a lockout, unless the individual meets both of the exceptions listed in statute.
- **DUTIES OF THE COUNTY STATE'S ATTORNEY** (2014-L-08) The county state's attorney is required to represent a county social services board concerning foster care case management and concerning the general duties of a county social service board.
- **HEALTH PLAN REQUIREMENTS UNDER FEDERAL AND STATE LAWS** (2014-L-12) The Sanford Health and Blue Cross Blue Shield "metallic" health plans' age-based restrictions may not satisfy federal and state law and may render the plans ineligible for "grandfathered" status under the Affordable Care Act.
- **AUTHORITY OF INDUSTRIAL COMMISSION OVER ABANDONED OIL AND GAS WELLS** (2015-L-03) The Industrial Commission has authority to enter into a contract to plug, replug, or reclaim a well site and may use its discretion to assert its authority. The Commission also has administrative rules that address plugging, reclamation and recourse of the landowner in the event the surface owner is not satisfied with the plug or reclamation. ◙



PROTECTING OUR NATURAL RESOURCES

North Dakota's natural resources are vital to the state's economy and to its citizens' lifestyle and well-being. The Attorney General, as a member of boards and commissions that oversee natural resources, plays an important role in the wise use of these resources. In addition, the Attorney General and the **Natural Resources division** provide legal advice to the state's agencies that oversee these natural resources.

As a member of the Board of University and School Lands, the Attorney General helps manage approximately 706,819 acres of school trust land, 1.8 million acres of trust minerals and $3.6 billion of financial assets. Income generated from these permanent resources supports the state's schools.

The **Natural Resources division** assists the State Engineer in regulating dams, dikes, drains, and the appropriation of water; the Industrial Commission in regulating the exploration and development of mineral resources; the Health Department in protecting our environment; the Game & Fish Department in managing wildlife and wildlife habitat; the Water Commission in developing water resources; and the Parks & Recreation Department in managing public recreation areas.

The division also administers the state's anti-corporate farming law and advises state and local officials on Indian law issues.

ENVIRONMENTAL LITIGATION

The **Natural Resources division** attorneys are involved in numerous lawsuits challenging federal overreach on environmental regulation, including:

Sulfur Dioxide (SO_2) Emissions

In recent years, the Environmental Protection Agency (EPA) and environmental groups have engaged in a process known as "sue and settle," in which an environmental group sues the EPA on an issue affecting the states and within a very short time (days or weeks) a consent decree is finalized - without any input from the affected states.

In September 2013, the Natural Resources division took the lead on behalf of six states to challenge a consent decree entered into between the EPA and two environmental groups, setting SO_2 emission standards for the states. Fourteen additional states filed an amicus brief supporting the North Dakota led group. In March, 2015, the US District Court approved the consent decree over the states' objections. The states appealed the decision to the [redacted]th Circuit Court of Appeals. The appeal is pending.

Air Quality Standards

Last biennium, the division's attorneys joined more than 20 states to challenge the EPA's rule-making process relating to hazardous air pollutant standards for power plants.

The EPA's new rule would have forced power plants to make cost-prohibitive changes even if the plants were already in compliance with existing EPA standards. The states petitioned to the DC Circuit court of appeals but in April 2014, the petition was denied.

The US Supreme Court granted the state's petition for cert in November 2014. On June 29, 2015, the US Supreme Court issued a decision in favor of North Dakota and the other states, deciding that the EPA unreasonably interpreted the statute when it deemed cost irrelevant.

WATER

During the biennium, the Natural Resources division assisted the State Engineer in mediating two construction-related claims on the Southwest Pipeline project, issuing an administrative order regarding dam safety and obtaining **14 administrative consent agreements** for water permit violations, amounting to **$665,028.05 in civil penalties.**

Waters of the United States

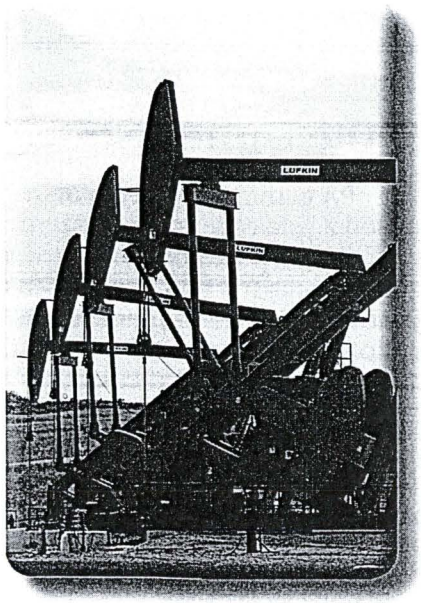
In April 2014, the EPA & the Army Corps of Engineers proposed a rule redefining "waters of the United States" for purposes of the Clean Water Act, expanding federal jurisdiction over which water bodies in the state require federal permits. Of specific concern to North Dakota is the inclusion of Prairie Potholes.

Under the proposed rule, a landowner wishing to conduct any work in the newly defined federal waters, including draining such water, must apply for a federal permit - a process that is both time consuming and expensive. Division attorneys assisted several state agencies in filing comments on the rule and Attorney General Stenehjem joined comments submitted by a group of attorneys general.

Despite the objections of numerous states and agricultural groups, the agencies finalized the rule and published it in Federal Register on June 29, 2015. On the same day, North Dakota and eleven other states filed a lawsuit in the US District Court to have the rule vacated and prevent the EPA and Corps from enforcing it. The case is pending.

Oil & Gas Development and Enforcement

As a member of the Industrial Commission, the Attorney General plays a key role in ensuring that the oil and gas industry complies with the law governing oil and gas exploration and recovery.



The division's assigned attorney presided over almost **4,400 oil and gas administrative hearings** and assisted the Industrial Commission's Department of Minerals Resources pursue **26 civil administrative** cases for violations of the Commission's rules, order, and regulations.

Through those complaints, **$438,604.36** has been collected in penalties. As of the end of the biennium, six cases are still pending and in another four cases, the division is obtaining judgments for unpaid penalties.

Hydraulic Fracturing (Fracking)

In April 2015, North Dakota and numerous other states filed complaints against the federal Bureau of Land Management in Wyoming Federal District Court, seeking to prevent the BLM's new "fracking" rule from coming into effect.

The states are challenging the BLM's authority to impose federal regulations on hydraulic fracturing practices not only because those regulations interfere with the state's existing comprehensive oil and gas development rules and environmental protection standards, but also because the EPA has already delegated authority to the states to monitor and protect underground water sources. The case is pending.

Environmental Protection

The division assisted the Health Department with its regulatory work involving air pollution control, asbestos removal, water pollution control, and solid waste and hazardous waste management, including:

- Enforcement action against the owner of a private wastewater treatment facility after a Health Department inspection uncovered an unauthorized discharge of wastewater into a tributary of the Missouri River from a broken pipe that been left unrepaired for several weeks, as well as several construction deficiencies.

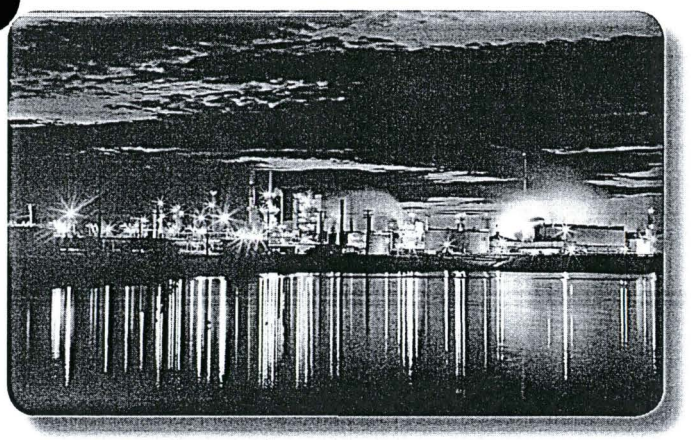
  The division negotiated an agreement requiring the owner to pay a penalty of **$195,000,** of which $58,000 was suspended pending correction of the deficiencies and compliance with increased reporting requirements.

- Enforcement action against the owners of a natural gas plant for non-compliance with the state's air quality standards for sulfur dioxide. It was determined that the facility's pollution control equipment had malfunctioned. The owners immediately took action to correct the problem, installing upgrades to its pollution control equipment.

  The division negotiated a **$137,000 penalty** of which $47,000 was suspended pending completion of facility upgrades. The facility completed the corrective action and is in compliance with the state's SO2 air quality standards.

These efforts, and many others, resulted in the collection of over ***$2.25 million in penalties.***

Next Generation Energy Act Lawsuit



In November 2011, Attorney General Stenehjem and others sued the state of Minnesota over its Next Generation Energy Act (NGEA), which imposes restrictions on carbon dioxide emissions from the generation of electricity imported from outside Minnesota and consumed in Minnesota. The lawsuit alleged that the NGEA violates the Commerce Clause and the Supremacy Clause of the United States Constitution

In April 2014, a Minnesota federal district court **agreed with North Dakota** and ruled the Minnesota law unconstitutional, faulting the law as "overreaching" because it "requires out-of-state entities to seek regulatory approval in Minnesota before undertaking transactions in other states" and wrote that if the statute were allowed to stand, it could lead to "just the kind of competing and interlocking local economic regulation that the Commerce Clause was meant to preclude."

The State of Minnesota appealed the ruling. The hearing was scheduled for October 2015, before a three judge panel of the US 8th Circuit Court of Appeals. ◙

NEWS RELEASE

June 10, 2015

HEARING SCHEDULED ON STATE'S REQUEST TO BLOCK BLM RULE FROM TAKING EFFECT

BISMARCK, ND – Earlier this week, the state of North Dakota filed a request in federal District Court for a preliminary injunction against the Bureau of Land Management (BLM) to block the BLM Hydraulic Fracturing Rule from going into effect on June 24.

The United States District Court for the District of Wyoming has scheduled a hearing on June 23, 2015, to hear North Dakota's request and separate requests filed by Wyoming and Colorado. Attorney General Wayne Stenehjem will be attending the hearing.

"If the BLM rule is allowed to go into effect, the state of North Dakota could lose hundreds of millions of dollars in mineral royalties, and oil and gas development in the state will be disrupted and delayed," said Stenehjem.

North Dakota is asking the Court to temporarily prevent the BLM Rule from taking effect until the Court has an opportunity to review the challenge to the Rule filed by North Dakota, Wyoming and Colorado in April 2015. The states previously sent a letter to the Assistant Secretary of Interior asking the agency to delay implementation of the BLM Rule until the validity of the Rule could be adjudicated by the Court. The Department of Interior denied the States' request.

In the challenge filed in April, the states asked the federal district court to invalidate the BLM's regulations not only because those regulations interfere with the existing comprehensive state oil and gas development rules and environmental protection standards, but also because the federal government, through the Environmental Protection Agency, has already delegated authority to the states to monitor and protect underground water sources.

DEFENDING THE STATE'S RIGHTS

The **Civil Litigation division** represents state agencies, officials, and employees in legal actions, including administrative hearings, state court lawsuits, federal court lawsuits, and appeals. The attorneys handle cases ranging from challenges to the constitutionality of state laws to collection actions for various state agencies.

Division services

Division attorneys represent the Bank of North Dakota, the ND Department of Labor, the Department of Human Services, Department of Transportation, Job Service North Dakota, the state's Risk Management fund and the Department of Corrections & Rehabilitation and State Penitentiary.

The division recovered **$4.62 million** for the Bank of North Dakota from delinquent property and student loans and **$2.7 million** in unpaid employer tax contributions and benefit overpayments for Job Service North Dakota.

Wage Claims

On behalf of the Department of Labor, the division pursued wage claims against **238 employers** involving 423 employees, and collected over **$513,000** of unpaid wages from employers, including:

- The ND Supreme Court affirmed the June 2013 district court's judgment in favor of the Labor Commissioner for **$149,551** in unpaid wages, statutory penalties, and interest from a Wahpeton employer. The employer had paid $43,454 prior to the appeal and has since satisfied the judgment in full.

- In May, 2015, the division obtained a default judgment of **$86,716** on behalf of 20 former employees of a business in Harvey, ND.

The civil litigation division recovered **$7.82 Million** for ND state entities during the biennium.

LITIGATION

Same Sex Marriage

Two federal lawsuits challenged North Dakota's definition of marriage as a legal union between one man and one woman. The division had briefed the legal issues and the case was pending before the federal district court when the United States Supreme Court issued a decision holding couples of the same-sex may not be deprived the right to marry, making the federal lawsuits moot.

Commitment of Sexually Dangerous Individuals

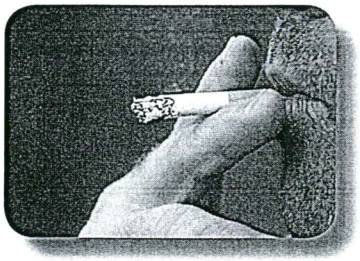
The division is defending a federal lawsuit challenging the constitutionality of the state law providing for continued civil commitment of individuals found to be **sexually dangerous individuals**.

The plaintiffs allege that their continued commitments are unconstitutional on various grounds, including that they are being unconstitutionally confined because they are not receiving effective treatment or treatment in the least restrictive manner available. The case will not go to trial until after the end of the biennium.

Abortion Control Act

Civil litigation attorneys continued the defense of a lawsuit challenging the constitutionality of 2011 House Bill 1297 (Abortion-Regulation, Reports & Drugs), which made several changes to the North Dakota Abortion Control Act relating to medicinal abortion techniques. Although the district court found the act unconstitutional, the ND Supreme Court issued a divided decision, which resulted in the Act being held **constitutional.**

Tobacco Master Settlement Agreement - Enforcement



The 1998 Master Settlement Agreement (MSA) required each settling state to pass a qualifying statute allowing the state to collect escrow payments from the Non Participating Manufacturers (NPMs).

Under the MSA, a settling state's annual settlement payment cannot be reduced by the NPM Adjustment so long as that settling state diligently enforced its qualifying statute. North Dakota's qualifying statute is N.D.C.C. ch. 51-25, Tobacco Sales Act.

In April 2006, several participating manufacturers withheld approximately $775 million from the Settling States (those participating in the MSA), claiming an offset for the 2003 NPM Adjustment. North Dakota's arbitration trial was held in October 2012 but it was not until September 2013 that the arbitration panel issued its decision.

The panel unanimously determined that during 2003 North Dakota diligently enforced its qualifying statute and thus was not subject to the 2003 NPM Adjustment **(saving the state up to $23 million)**.

The State is currently defending tobacco companies' allegations that North Dakota did not diligently enforce its qualifying statute during 2004. A hearing date has not yet been scheduled.

Through the end of the biennium, the state of North Dakota had received a total of **$463,976,235.90** in tobacco settlement payments. Of that amount **$64,618,710.75** was received during the 2013-2015 biennium.

Inmate Lawsuits

During the biennium the **Civil Litigation division** defended the state in a number of lawsuits filed by inmates against the ND Department of Corrections & Rehabilitation (DOCR) State Penitentiary.

These allegations ranged from accusations that DOCR employees were "deliberately indifferent" to prisoners' serious medical needs in violation of the Eighth Amendment (for refusing to prescribe medication for a pain relief, or not providing appropriate dental treatment, etc.), to complaints that DOCR employees fabricated contraband changes in retaliation for an inmate threatening to bring a lawsuit and that an inmate was transferred to another state in retaliation for his repeated grievances.

- Although some cases are still pending, in **every** case decided during the biennium, the **state prevailed.**

CRIMINAL PROSECUTIONS

The six attorneys within the Criminal & Regulatory division provide prosecutorial assistance to the 53 county state's attorneys upon request. In addition, the division handles prosecutions of child sexual abuse offenses.

Section 2254 Habeas Petitions

The **Criminal & Regulatory division** defended **22** habeas cases filed in the United States District Court by prisoners attempting to overturn their state court convictions and either get a new trial or be released from custody.

The prisoner's claims ranged from allegations of search and seizure violations and prosecutorial misconduct to discovery violations, discriminatory jury selection and jury bias.

In the cases decided during the biennium the federal court **denied all the prisoners' claims**. The Court of Appeals for the Eighth Circuit also issued decisions in three federal habeas cases, again upholding the judgment of the United States District Court.

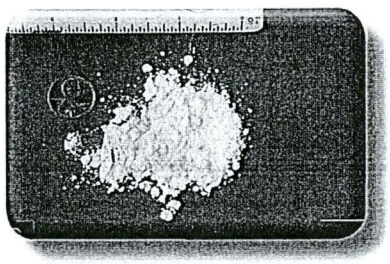
Criminal Cases

During the biennium, the attorneys prosecuted numerous criminal cases, including:

- Allen Charles Thomas, who was convicted in August 2013 of arson and endangering by fire for setting fire to the Lone Steer Motel in Steele. The building was a total loss, but has since been replaced by a new motel. Thomas was sentenced to serve **46 years** for his crimes.

- Ryan Anderson, who was convicted of murder in August 2014 for stabbing his best friend four times at a man camp near Tioga in Williams County. Anderson was sentenced to **20 years** in prison.

- In September 2014, a Dunseith man was convicted by a jury in Rolette County District Court for the forcible rape of an adult woman. Lorry Van Chase was sentenced to serve **40 years** with 10 suspended. Trials in other charged cases against Van Chase were postponed pending the outcome of this case.



Drug Prosecutions

Two assistant attorneys general within the Criminal & Regulatory division are assigned to prosecute drug cases, and work closely with the state's Narcotics Task Forces and the United States Attorney's Office.

During the biennium, the attorneys, located in Bismarck and Minot, prosecuted **116** individuals for state and federal drug offenses.

SERVING CRIMINAL JUSTICE

CRIMINAL INVESTIGATIONS

The Bureau of Criminal Investigation (BCI) has 43 agents located in Bismarck and 12 field offices across the state. These agents provided assistance to federal, state and local law enforcement agencies on **773** drug investigations and **897** other criminal investigations during the biennium.

DRUG TRENDS

As the state's population increased in response to the oil boom the demand for drugs increased, and international drug trafficking organizations established operations in the state. The price of black market prescription narcotics has escalated in response to demand, and drug addicts have increasingly turned to heroin.

Once almost unseen in North Dakota, the narcotics task forces report that heroin seizures happen almost daily in eastern ND, and related overdoses are more frequent as well.

In 2012 there were 2,906 arrests for drug offenses. In 2014, there were 4,000 arrests - a **38% increase.**

- There were **90 arrests** for offenses involving **heroin** (possession, distribution) in 2014, up from 26 in 2013 and just 17 in 2012.

The task force investigations are becoming increasingly more dangerous and complex as the agents must track large groups of individuals and conspiracies that include local, regional, and international drug trafficking organizations (DTOs). The DTOs utilize money transfer businesses to move cash, exchange it for untraceable bitcoins, or barter drugs in exchange for vehicles or guns.

There also has been an increase in outlaw motorcycle gang activity and street gang activity relating to the distribution of controlled substances. These gangs take advantage of established drug routes to transport and distribute large quantities of product.

Because these investigations cross county and state jurisdictions, the task forces work with federal investigators and the cases are prosecuted by the US Attorney's office.

Bakken Strike Force

In June, 2015, Attorney General Stenehjem and acting US Attorney Chris Myers, announced the formation of the Bakken Strike Force. Working together, federal, state and local authorities have mobilized approximately fifty agents and four prosecutors in a concerted effort to attack organized crime.

The strike force is comprised of four task forces, each having allocated federal, state and local agents along with a coordinated state-federal prosecutor. The task forces are set up in Bismarck, Dickinson, Minot and Williston, and will coordinate their investigative efforts.

> "This effort will assure citizens that we will always protect our residents, and tells criminals that they do not want to do business in North Dakota."
>
> Attorney General Wayne Stenehjem

Law Enforcement Grants

The 2013 session of the North Dakota Legislature devoted additional resources to the Office of Attorney General, as well as appropriating **$16.6 million** in grants to local law enforcement to combat increase in crime related to the increase in oil activity, with priority given to address critical needs.

Among other things, these grants helped to provide nearly $5 million in equipment and supplies, $2.5 million in personnel (including 14 new officers), $164,000 in overtime, and $146,000 in housing.

NEWS RELEASE

March 14, 2014

TWENTY ARRESTED IN LAW ENFORCEMENT OPERATION IN NORTHWEST ND

BISMARCK, ND – A two-day operation in the McKenzie county area involving agents with the North Dakota Bureau of Criminal Investigation, together with federal and local law enforcement agencies resulted in the arrest of 20 individuals, announced Attorney General Wayne Stenehjem.

The operation was the result of a long-term undercover investigation by state, local and federal agencies, targeting organized drug rings and other illegal activity in northwest North Dakota.

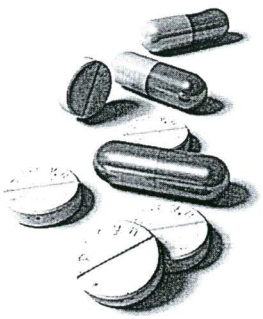
Approximately 50 traffic stops were made during the two-day operation. Agents seized quantities of drugs, drug paraphernalia, firearms and cash. Additionally, fourteen illegal aliens were detained and turned over to border patrol. Criminal charges against several of the arrested individuals are pending.

The operation, which ended Thursday night, involved the Watford City and Williston Police departments, McKenzie county and Williams county sheriffs' offices, BCI and the Metro Area and Northwest Narcotics Task Forces, ND Highway Patrol, the FBI, US Border Patrol and US Immigration and Customs Enforcement. This operation was conducted in addition to the search warrant served in the New Town area headed up by Federal authorities as announced by US Attorney Tim Purdon.

"Criminals need to know that law enforcement is dedicated to ridding the area of illegal activity and that these operations will continue on an on-going basis," Stenehjem said. "Citizens should be assured that our efforts will continue, focusing in particular on the illegal drug trade, human trafficking and the sex trade."

Prescription Drug Take Back Program

Since its launch in December 2009, the Attorney General's Take Back program has collected and destroyed more than **9,497 pounds – 4.7 TONS** – of unused and dangerous controlled drugs and other prescription medications. The Take Back program is available at 42 sites across 36 counties, providing services to more than 90% of the state's population.



HUMAN TRAFFICKING

In 2013, the Legislature authorized a dedicated Organized Crime Investigator for BCI, assigned to northwestern ND to address criminal activity relating to the oil boom. The BCI conducted several operations targeting individuals (Johns) who attempted to obtain children as young as 12 via the internet for sexual exploitation.

These operations resulted in dozens of arrests and convictions. These operations, and others, aided the BCI in identifying underage victims and adult women who were being trafficked, and identifying and prosecuting the traffickers (pimps), including a successful sting operation in March 2015:

- In that operation, two individuals were arrested for human trafficking and multiple "Johns" were arrested for solicitation of prostitution. Three women from the Milwaukee, WI area were connected to an ongoing federal human trafficking case and were associated with a large scale pimp/trafficker. Two of the women were also involved in a prostitution-related extortion of a male in Williston, involving approximately $65,000. The case is on-going.

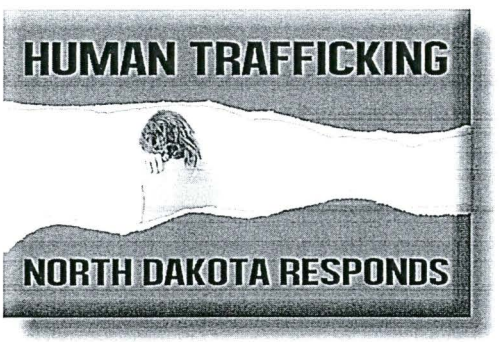
- Arrests for promoting prostitution (pimping) **doubled** from 2011 to 2013.

> "If you are a trafficker in the sex trade or a customer, we're **coming after you**. If you are a victim, caught in the grips of this horrible life, we will work with you to **help you** find a better life."
>
> Attorney General Wayne Stenehjem

Legislation

Recognizing that the state lacked services to assist victims of human trafficking, in 2015, Attorney General Stenehjem proposed a comprehensive package of bills that took a victim-centered approach.

The Legislature supported the Attorney General's proposals, providing many millions of dollars for victim protection and services, enhanced prosecution tools, and funding for training for law enforcement and state's attorneys.



The Legislature also authorized the creation of a state Human Trafficking Commission within the Office of Attorney General, tasked with developing a coordinated and comprehensive plan to provide victims with services, as well as collecting and evaluating data on human trafficking in North Dakota.

The legislation took effect after the end of the reporting period. ◙

Crime Statistics

Each year, the Office of Attorney General issues a comprehensive crime report, analyzing crime and arrest statistics reported by the local law enforcement agencies throughout the state.

In 2014, 105 police departments and sheriff's departments and the ND Highway Patrol reported incident data. North Dakota law enforcement agencies reported 30,406 arrests in 2014. A total of 31,107 arrests was reported in 2013.

> The state's crime rate of **5.5%** is one of the **lowest in the nation.**

Promoting prostitution is one of the crimes within the category "**Crimes against Society**," along with drug offenses, weapons violations and pornography. **Crimes Against Persons** (murder, rape, aggravated assault, simple assault) and **Crimes Against Property** (robbery, burglary, motor vehicle theft, shoplifting and stolen property offenses) are the two remaining categories for which detailed offense information is collected and reported (Group A offenses).

In 2014:

- Total Group A crime offenses increased by 6.8% from 2013. However, it is important to note that Crimes Against Property accounts for more that **55%** percent of the total Group A crime offenses.
- Motor vehicle thefts increased by more than 11%, from 1,309 in 2013, to **1,462 in 2014**.
- Violent crimes comprised just **9.8%** of the total index crimes reported.
- Aggravated assaults **decreased** by 1.4%, the first decrease for at least the past 10 calendar years.
- Although drug arrests have increased, the percentage of juveniles arrested for drug offenses has decreased from 16% in 2010 to 9.9% in 2014.

Crime Scene Vans

The BCI now has two Crime Scene Vans (CSV) which are deployed across the state to provide on-site assistance in processing crime scenes and for major case investigations.

The vans are adapted for use in North Dakota's extreme weather conditions and diverse terrain and are fully equipped with forensic supplies and specialized investigative equipment.

The CSVs were deployed to numerous crime scenes across the state, including:

- A suspected homicide scene near Killdeer. The investigation was during the middle of the night in the dead of winter, with very frigid and windy conditions. Conditions were so bad that agents' pens would not work unless they were inside the vehicle. The CSV's floodlights were also helpful in illuminating the outdoor scene. Investigators were able to determine that the death was an unfortunate accident.
- A double homicide investigation at a pig farm in Bottineau County in March 2015. The suspect was identified and charged with two counts of murder. The criminal cases are pending.

In addition, the crime scene vans were used during the investigations of five officer-involved shooting cases, in Fargo (2), Jamestown, Grand Forks, and Fort Totten.

Officer Involved Shooting Investigations

As organized crime and gangs have moved into the state, the local law enforcement agencies are facing increased dangers. Almost unheard of in North Dakota until just a few years, there have been several incidents in recent years where officers have had to discharge a firearm during a response.

The BCI assists the local law enforcement agencies by conducting an independent investigation of the officer's use of force. Once the BCI's investigation is complete, it is referred to the county state's attorney who determines whether the officer's actions were justified.

- During the biennium, the BCI conducted 12 officer involved shooting investigations.

BLUE ALERTS

On March 25, 2015, the state launched a **Blue Alert** system, similar to the Amber Alerts, to disseminate information to the public when there is a suspect at large who has threatened an officer with a deadly weapon, or caused an officer serious bodily injury or the officer's death, or if an officer has been abducted or is missing.

Criminal History Record Checks

Forty state agencies and professional licensing boards require or request an applicant to complete a criminal history record check prior to licensure. The BCI also conducts a criminal history record check on all applicants for a **Concealed Weapon license**, and for certain employees of the state's public schools, colleges and universities.

- During the biennium, the BCI conducted **84,789** state and federal record checks, a **12%** increase from the previous biennium.

Concealed Weapon Licenses

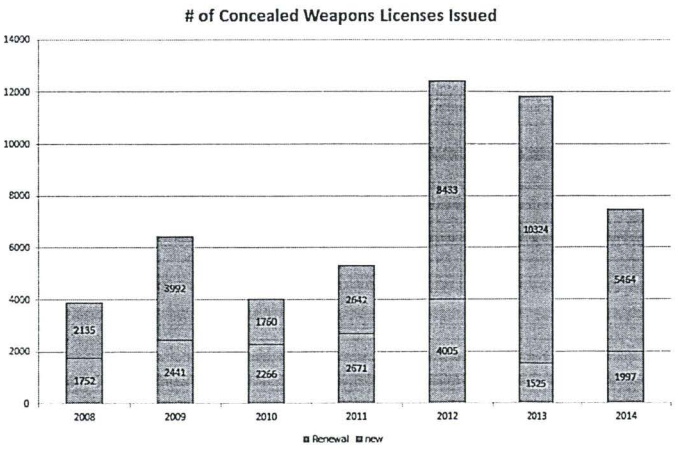
Changes made by the 2013 Legislature simplified the application process and also removed some disqualifying factors, making previously ineligible individuals able to apply for a concealed weapon license.

- The number of active concealed weapon licenses has increased from **25,857** in the 2011-2013 biennium to **38,341** this biennium.

Pending applications

Within a month of the changes taking effect in August 2013, applications were being submitted at a record-breaking pace, up to 350 a day. The sheer volume of applications gradually overwhelmed the concealed weapon license staff, even with the additional employees authorized by the Legislature. By the end of the calendar year, more than 14,700 applications had been received, and there was a significant delay in issuing licenses.

In response, Attorney General Stenehjem temporarily reassigned staff from other sections at BCI and authorized staff overtime. It took almost four months and many hundreds of hours of employee overtime, but by March 2014, the concealed weapon license section was back on track and the turnaround time for licenses was down to 35 days, well under the statutory time limit of 60 days.



IMPAIRED DRIVING

Drunk drivers killed 71 people in 2013.

DUI and "Refusal"

In an effort to reduce the number of alcohol-related driving offenses and fatalities, in 2013 the Legislature enacted House Bill 1302.

The bill increased the penalties for DUI, including increasing mandatory minimum fines and mandatory minimum jail sentences, and also made **refusal** to submit to a chemical test a separate offense with the same penalties as for DUI violations. The new laws took effect on July 1, 2013.

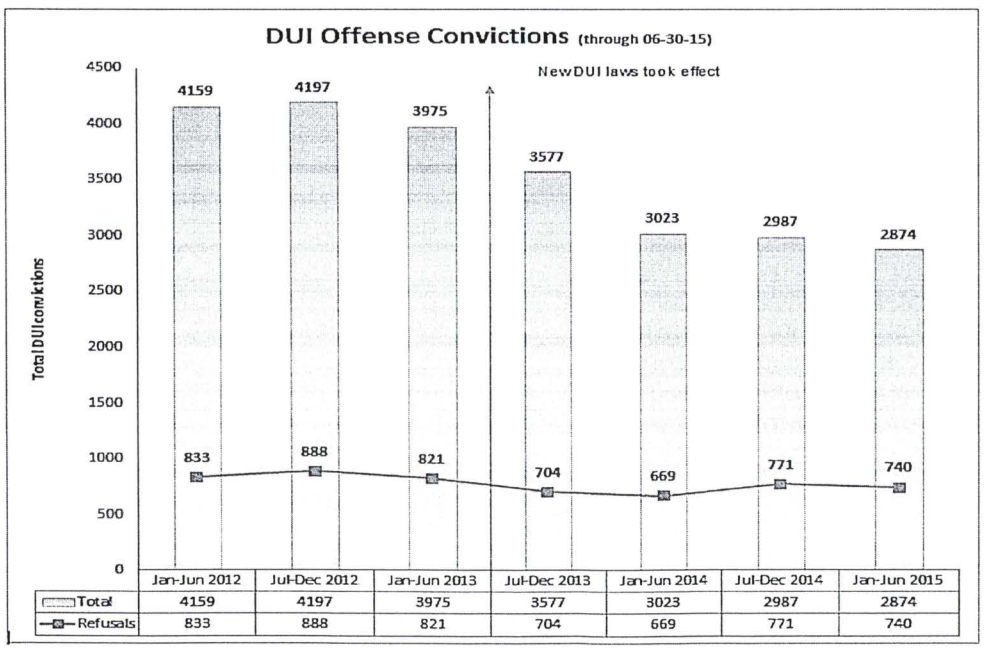
Many drivers arrested after the law took effect brought constitutional challenges to the refusal, claiming it violated their Fourth Amendment and Due Process rights.

The North Dakota Supreme Court has **unanimously upheld the constitutionality** of the criminal refusal provisions in every case that has been taken up to the court on appeal.

- In 2012, there were 7,382 arrests for DUI. In 2014, that had dropped to **6,705.**
- In 2012, 77 out of 147 crashes (**52%**) were alcohol-related; in **2014,** there were 121 crashes, of which 53 (**44%**) were alcohol-related.

Administrative hearings

During the biennium, attorneys from the Civil Litigation division represented the ND Department of Transportation in **382** district court cases and **38** ND Supreme Court appeals relating to implied consent and driver's licenses (DUI cases).



	Jan-Jun 2012	Jul-Dec 2012	Jan-Jun 2013	Jul-Dec 2013	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015
Total	4159	4197	3975	3577	3023	2987	2874
Refusals	833	888	821	704	669	771	740

24/7 Sobriety Program

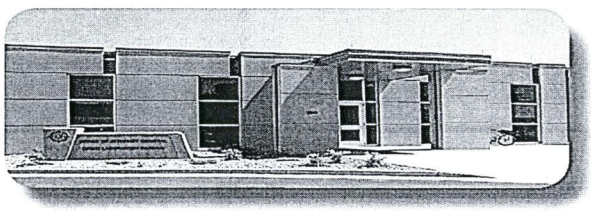
The 24/7 Sobriety Program has been operating statewide since 2010. Because it has proven effective, the Legislature has expanded the program every legislative session.

In addition to requiring repeat DUI offenders to participate as a pre-trial condition of bond, the courts can order participation in the 24/7 program for domestic violence offenders, drug offenders, juvenile offenders with alcohol-related offenses, and as a condition of sentence or probation. A participant who tests positive for alcohol (or drug) use faces immediate arrest pending a court hearing.

Of the **6,785** individuals who participated in the 24/7 Sobriety Program during the biennium, only **353** were terminated from the program – a **94% success rate.**

NORTH DAKOTA'S "CSI" – THE STATE CRIME LABORATORY

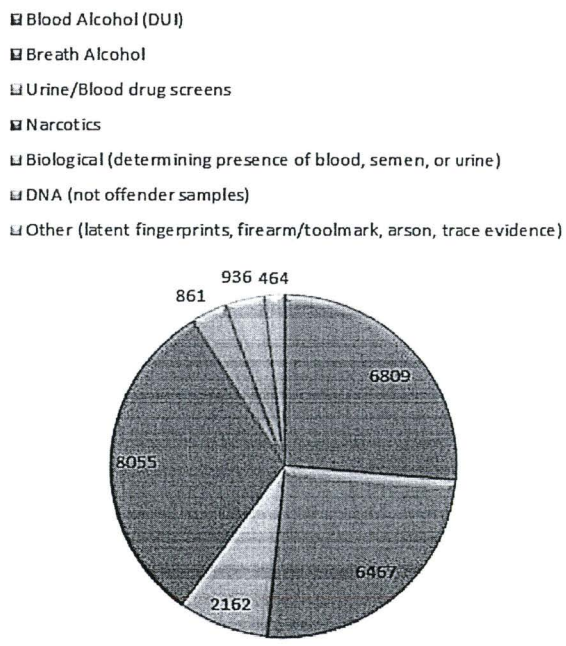
The state's **Crime Laboratory division** "provides scientific support to the state's criminal justice agencies through the analysis, identification and comparison of physical evidence used in the investigation and prosecution of criminal offenses."



The Lab's 21 forensic scientists processed over **26,239** cases during the biennium, a **29%** increase from the previous biennium (20,219 cases).

- **More than half the cases (15,438)** were routine blood alcohol or blood/urine drug screenings, obtained as a result of suspected **impaired driving** related offenses.

Crime Lab Caseload



Breath Alcohol Tests

The Toxicology Section at the **North Dakota Crime Laboratory** provided classroom training to 241 law enforcement officers in the use of evidentiary breath alcohol instruments (Intoxilyzer 8000) and 23 Field Inspectors were trained the Crime Laboratory. An additional 1,476 officers received online training.

Synthetic Drug Submissions

In 2012, the crime lab received **1,470** evidentiary submissions of synthetic drugs. As a result of proactive regulatory and legislative changes and aggressive enforcement and prosecution practices, arrests for possession and distribution of synthetic drugs have fallen dramatically.

- In 2014, the Crime Laboratory received **only 212 submissions** of synthetic drugs - **an 85% reduction.**

FORENSIC ANALYSIS

For many people, what they know about forensic analysis comes from popular television shows where every case has a piece of evidence with a perfectly preserved fingerprint or DNA belonging to an offender who is known to law enforcement, and the case can be wrapped up in an hour.

That is Hollywood fiction. The reality is much more complicated but the results are just as remarkable. For example:

NEWS RELEASE

OCTOBER 16, 2014

BCI AGENT AND FORENSIC SCIENTIST RECEIVE NATIONAL RECOGNITION

BISMARCK, ND – A BCI drug agent and a forensic scientist with the Attorney General's Crime Laboratory have received further national recognition for their roles in the multi-jurisdictional investigation "Operation Stolen Youth."

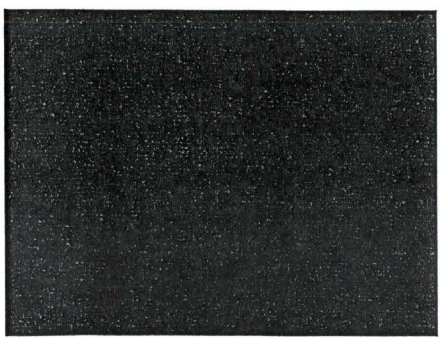
BCI Special Agent Steve Gilpin and Crime Laboratory Forensic Scientist Charlene Keller received notification of the honor earlier this week.

The US Department of Justice Organized Crime Drug Enforcement Task Forces (OCDETF) award recognizes the efforts of the state and federal investigation that shut down a nationwide synthetic drug trafficking ring and resulted in the successful prosecution of 15 individuals. It is the first time a North Dakota investigation has received this national award.

Looking Inside a Case File

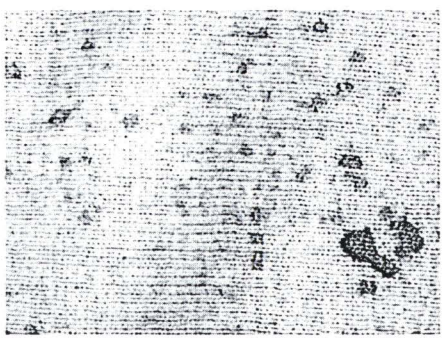
The Crime Laboratory received evidence from an aggravated assault (a felony) that occurred at the ND State Fair. The victim was attacked by a man wielding a knife. The suspect was found in the bathroom and was arrested. A knife was found in the bathroom's garbage can. The suspect denied having a knife but he had a cut on his hand. The victim received over 100 stitches.

The suspect's clothing and the knife were submitted to the crime lab along with the black shirt the victim had been wearing when he was attacked. The blood stains on the victim's black shirt were difficult to see with the naked eye, so forensic scientists used an alternate light source and infrared imaging to visualize the area to be tested. One of the red-brown stains tested positive for blood, so a swab was collected and analyzed for DNA.



Sample of black sweatshirt examined with naked eye

THE DNA MATCHED THE SUSPECT, WHO PLEAD GUILTY. CASE CLOSED.



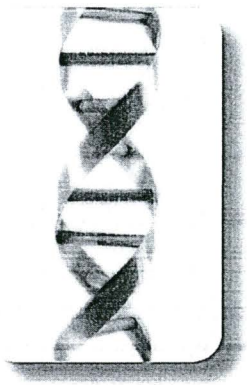
The same sample when examined with an alternate light source and infrared imaging

Scrap Metal Theft

As the price of copper and other metals soared, so did thefts of those metals from businesses. A string of high-value thefts occurred in late 2012, prompting legislative charges requiring dealers to keep written records of transactions involving scrap metals and a copy of the seller's photo identification.

Since the new regulations took effect on May 1, 2013, scrap metal theft has been almost eliminated.

- The BCI assisted on only **three** cases of scrap metal theft during the biennium. In one of those cases, the **Crime Laboratory** developed a **DNA profile** from a ski mask left behind at the scene of a theft of $100,000 worth of copper, and **the suspect was identified.**



Offender DNA Samples

Convicted sex offenders and individuals arrested for a felony offense are required to provide a DNA sample. The **Crime Laboratory** processed over 8,000 offender DNA samples for upload to the National DNA Index System (NDIS), which matched to 115 crime scene samples and produced investigative leads for law enforcement agencies to pursue, including:

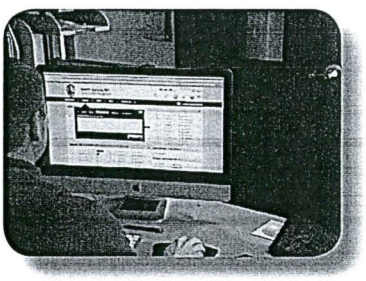
- A 2005 sexual assault case involving an unknown suspect was **solved** almost a decade later, when the DNA from an individual arrested for a felony DUI matched DNA from evidence in the sexual assault case.
- A 2007 ND convicted offender was identified as the perpetrator of a 2014 **sexual assault** after a DNA profile was developed from swabs taken from the victim of that assault.
- Cigarette butts found in a stolen vehicle in Dickinson contained DNA that matched to a Washington state offender.
- An individual who forced a woman to perform oral sex at gunpoint was identified after semen from the crime scene matched the DNA of a prior felony arrestee;

Thanks to the efforts of the Crime Lab staff, repeat offenders are being identified and brought to justice.

The Crime Lab staff are not the only ones at work identifying sexual offenders. **Cybercrime agents with the BCI** use digital fingerprints to track and identify suspects.

INTERNET CRIMES AGAINST CHILDREN (ICAC)

The BCI has four trained computer forensic agents who provide forensic support to state and federal law enforcement agencies on a variety of criminal investigations, from homicides and financial crimes to child sexual abuse and internet child pornography.



The North Dakota **Internet Crimes Against Children (ICAC)** Task Force has 48 cooperating state and local law enforcement agencies and three federal and tribal partners. The ICAC cybercrime agents provide training for law enforcement on identifying and investigating internet crimes.

During the biennium, the BCI's cybercrime agents examined over **1,390 items** (from computers and cell phones to cameras and gaming consoles) containing a total of **205 Terabytes of data.**

1 terabyte of data is equivalent to approximately **85,900 pages** of word documents, 17,000 hours of music, or **500 hours of video.**

The state's ICAC task forces assisted with hundreds of child sexual abuse investigations, including:

- The investigation of a Wahpeton man after his roommate contacted local law enforcement to report having seen child pornography on the suspect's electronic media. On Nov 5, 2014, 22 year old Dustin Coleman pleaded guilty to **eight felony counts**, including extortion, in the state's first federal case of "sextortion." Coleman will serve **30 years in federal prison.** Coleman used intimidation or fear to gain sexual favors and coerce victims into making and sending him explicit images, allegedly telling one victim that he would rape her younger sister if she didn't send him nude photographs of herself.

- In June 2015, a Kenmare man was sentenced to serve **45 years in prison,** after he attempted sexual exploitation of a minor and was in possession of child pornography. Federal agents learned about the abuse after an **undercover detective** was in contact with the subject on a site known for incest and sexual exploitation of minors. A warrant search of his residence later turned up a laptop computer, personal computer, thumb drives and other devices that contained 793 pictures and 16 videos depicting child porn.

Upon release from incarceration, these individuals will be required to register as sex offenders.

SEX OFFENDER WEBSITE

Hundreds of times each day, parents, daycare providers, community organizations and concerned citizens visit the state's sex offender website (**sexoffender.nd.gov**) to find current address and other information about registered sex offenders who live and work in North Dakota.

- Increasingly, registered offenders are coming to North Dakota from other states, seeking work. During the biennium **83%** (437) of the 527 offenders registering for the first time in North Dakota were newly arrived here with convictions for a registered offense in another state.

Under the interstate compact, offenders who are under probation supervision must have permission to leave their current state before moving to North Dakota. That state's authorities notify the ND BCI. The offender must register with the local law enforcement agency within three days of arriving in North Dakota. The local law enforcement agency completes the registration documents and notifies BCI, and the offender's information is uploaded to the state's sex offender website.

North Dakota's Sex Offender Registry

Sex offender information on the website **sexoffender.nd.gov** is updated in real time, all day every work day, as changes are reported by the courts, Parole & Probation, the correctional facilities, the offenders, and the public.

Offenders with a lifetime requirement for registration and those who have been deemed a high risk are shown with full details and photographs on the High Risk page, while a printable list shows all offenders (including low and moderate risk) within a particular city or county, or for the entire state.

Tribal Sex Offender Registries

During the 2013-2015 biennium, each of the state's Native American tribes completed the federal process to establish a separate tribal registry independent of the state's registry. Registered offenders who live, work or attend school within the reservation's boundaries now register with the tribal registering agency.

As they are sovereign nations, each tribe defines the type and extent of information available on its offender website. The state's website includes links to these tribal websites. Prior to the tribes establishing their own registries, Native American offenders were listed on the state's registry.

Although the number of registered offenders in the state increased during the 2013-2015 biennium, as tribal registries went online and the tribe's registered offenders were removed from the state's registry, the number of registered offenders on the state's sex offender registry decreased to 1,858.

As of June 30, 2015, only ***29*** offenders were delinquent in their registration requirements or had absconded, which equates to a ***98.5%*** compliance rate.

Thirteen of the delinquent offenders are Native Americans who would otherwise appear on the tribe's registry but they cannot be removed from the state's registry until their current whereabouts are known.

Sex Offender Risk Assessments

The "risk" factor is assigned by a team of professionals consisting of representatives from the Office of Attorney General, Department of Corrections, and juvenile services.

The **Sex Offender Risk Assessment Committee** (SORAC) reviews each offender's criminal history, evaluations, and other pertinent documents in order to assign the individual either a low, moderate or high risk rating (for reoffending).

When offenders have convictions in other states, the SORAC obtains the offense and prior registration information. Risk assessments are conducted regularly and the website is updated continually to add new offenders.

Until the offender's information is reviewed and a risk level assigned, the offender is listed as "undetermined." However, as the scope and type of community notification is up to the registering local law enforcement agency, that department may decide to issue a community notification at any time after the offender registers, even before the SORAC assessment is completed.

- During the biennium, the SORAC conducted **730 assessments,** a **20% increase** from the previous biennium.

TECHNOLOGY SUPPORT

The **Information Technology (IT) division** provides technical installation and support for all the divisions of the office in 18 different locations across the state. The IT division also supports communications with law enforcement through the State Radio teletype system and the ND Criminal Justice Information Sharing (CJIS). The division staff are on call 24 hours a day, 7 days a week.

- The division responded to more than **7,000** service calls during the biennium.

FIRE MARSHAL

The Fire Marshal division is responsible for fire safety inspections and regulations, arson investigations, hazardous materials training, and fire prevention education. There are six deputy fire marshals, stationed in Bismarck and four field offices across the state.

Arson investigations

Deputy state fire marshals conducted **166** "fire origin & cause" investigations. **Forty fires (24%)** were determined to be **arson**.

FIRE SAFETY INSPECTIONS

To enhance the level of fire safety throughout the state, the Fire Marshal's office inspects public schools, childcare facilities, state buildings, fuel tanks storage sites, and licensed liquor establishments.

Division staff inspected **223** public schools, **168** fuel tank storage sites, **321** state buildings, **99** licensed day care facilities and **36** bars & restaurants.

Bar & Restaurant Inspections

The State Fire Marshal's office assumes the responsibility of conducting fire safety inspections at bars and restaurants in communities that are not able to provide a full-time fire inspector.

The deputy fire marshal determines the building's maximum occupancy rate, then follows a comprehensive checklist to ensure that the facilities are maintained to the highest level of safety.

Among other things, the inspector makes sure there are sufficient exits to allow safe evacuation, that the kitchen areas are properly vented outside, all fire and smoke alarm systems are working properly, the fire extinguishers are serviced on an annual basis and all emergency lights are fully operational.

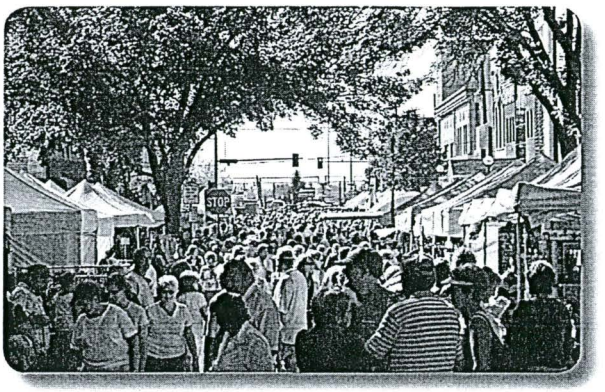
- There were **18** fire-related deaths during the biennium. **Two** of the deaths were a result of arson.

SAFETY TIPS

State Fire Marshal Ray Lambert recommends that homeowners install smoke alarms on every level of the home, inside every bedroom, and outside each sleeping area.

He offered the following fire safety tips to help homeowners:

- Test smoke alarms once a month, replace the batteries at least once a year, and replace the whole unit every 8-10 years. If an alarm with a non-replaceable battery begins to chirp, replace the entire alarm right away.
- Smoke alarms installed in the basement should be installed on the ceiling at the bottom of the stairs leading to the next level.
- Have a safety plan and review it with family members. Stay low to the ground and get out of the house as quickly as possible. Once you are out, **STAY OUT**. Do not go back inside for any reason.



SERVING THE PUBLIC

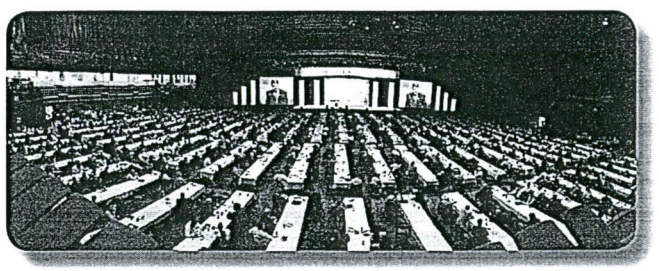
CONSUMER PROTECTION

The Consumer Protection division investigates and prosecutes consumer fraud cases and violations of the Do Not Call laws, mediates individual consumer complaints, and educates the public on how to avoid becoming victims of fraud.

- The division filed **257** civil actions against individuals and businesses for violating consumer fraud laws, resulting in **$3.18 million** in refunds to consumers.

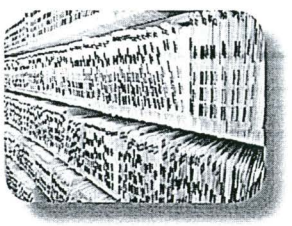
- The division collected an additional **$3.18 million** in civil penalties, investigative costs and to recoup attorney fees for a total of **$6.36 million.**

The **Consumer Protection division** held **49** community awareness events during the biennium.



CONSUMER COMPLAINTS

During the biennium, the division opened **2,565** complaint files – a **38%** increase over the previous biennium – and closed **2,590** complaints.



Almost three-quarters of the closed complaints (1,902) were satisfactorily resolved either through informal mediation or legal action. Another 44 complaints were referred to other state or federal agencies.

The remaining complaints were determined to be unfounded, or were closed because the business could not be located/was no longer in existence or the consumer chose to discontinue mediation.

TOP TEN COMPLAINTS

#1 - Telemarketing & Do Not Call - **314.**

- This category was #1 last biennium, with 234 complaints.

#2 - Identity Theft - **276.**

- Last biennium, there were 130 ID theft complaints. This category has moved from 3rd place to 2nd.

#3 - Contractor/Home Improvement - **271.**

- This was #2 last biennium, with 172 complaints.

#4 - Mail Order - **76.**

- Mail order was #7 last biennium, with 96 complaints.

#5 - Services (home security, credit card processing) - **70.**

- This category was not in the Top 10 last biennium.

#6 - Vehicle advertising, repairs, warranty problems - **56.**

- This category was #9, with 71 complaints.

#7 - Transient Merchants - **54.**

- Last biennium there were 102 complaints, the #4 category.

#8 - Telephone billing and services - **39.**

- Up from #10 last biennium (64 complaints)

#9 - Directories, phony business listings - **38.**

- Down from #5 last biennium (101 complaints).

#10 - Sweepstakes - **32.**

- This category was not in the Top 10 last biennium.

DATA SECURITY BREACHES

Recent data security breaches involving major retailers, financial institutions and global businesses have exposed millions of individuals to the risk of identity theft and scams. These companies were not required by law to report the breach to the Office of Attorney General.

In an effort to provide additional protections for the state's citizens, Attorney General Stenehjem submitted legislation to the 64th Legislative Assembly requiring any company that experiences a data breach involving data of a North Dakota customer to submit a detailed report to the Consumer Protection division. The bill passed, and took effect on August 1, 2015.

Identity Theft

The Consumer Protection division serves as the state's clearing house for identity theft complaints. The division assists victims with completing the identity theft affidavit and other forms the victims must file with the companies where the fraudulent accounts or debts were created.

- There were **276 reports of identity theft** received by the Consumer Protection division during the biennium - a **112% increase** over the previous biennium.

Tax ID theft is becoming more prevalent in North Dakota. The majority of victims reported that they first realized their identity had been stolen when the IRS rejected their tax return because a fraudulent return had already been filed under their name and social security number.

Under North Dakota law, a victim of identity theft can file a report of identity theft with the police or sheriff's office where they live, regardless of where the actual identity theft occurred.

Do Not Call Violations

The division received **230** complaints for solicitations to consumers registered on the DNC registry, of which 102 were illegal prerecorded messages.

The division conducted **31** investigations, many involving multiple entities, resulting in **35** settlements for which the division collected **$26,250 in civil penalties.** The remaining investigations were either settled informally or were still pending at the end of this reporting period.

"Although it may not be possible to stop the scam artists, it may be possible for the telephone companies to block the scam calls," said Stenehjem.

In September 2014, Attorney General Wayne Stenehjem joined 38 other Attorneys General in a letter urging the Federal Communications Commission (FCC) to allow telephone carriers to use existing technology to block these types of calls. To date, the FCC has not issued a decision.

PERVASIVE SCAMS - VICTIM STORIES

The Consumer Protection division issued numerous news releases, alerts, consumer advisories and public service announcements warning about scams. Three scams, in particular, were particularly pervasive throughout the biennium (and continue to be so after the end of the reporting period) and have claimed victims. These scams are:

The Grandparent Scam

This scam involving an imposter grandchild who is supposedly involved in a crisis situation and urgently needs cash.

A 50+ year old male from northwest ND was the victim of the Grandparent Scam. The victim received a call supposedly from his grandson, who said he had been involved in a serious car accident in Canada. The "grandson" said he needed money for legal fees associated with the accident. The victim and his wife were convinced they were talking to their grandson. The victim was directed to purchase Green Dot cards to pay for the alleged legal fees. The man went to several Kum & Go's in the area and purchased 20 Green Dot cards for $1,999 each.

Over the course of a week, the victim sent the scammers **$40,000.** The victim said the scammers requested an additional $100,000 to settle since the victim in the accident was paralyzed. The victim checked and discovered that his grandson had not been in a car accident in Canada - in fact, he had not even been in Canada - so the victim did not pay the additional $100,000.

None of the money he sent to the scammers could be recovered.

IRS Enforcement Scam

In this scam, phony IRS agents claim there is a problem with a previously filed tax return and threaten the victim with arrest unless the tax debt is paid immediately.

- A male from Southeast ND was a victim of the IRS Scam. The victim was led to believe that he was past due on 2005 tax returns and that federal agents would come to his work and arrest him if he didn't pay past due taxes immediately. The victim purchased 18 Green Dot debit cards, resulting in a loss of **$8,874. None of the money could be recovered.**

- Even after the Consumer Protection division issued several news releases about the scam, a male from central ND fell victim. He, too, was led to believe by the scam artists that he owed back taxes and would be arrested if he did not pay immediately. The victim purchased several Green Dot Money Pak cards, resulting in the loss of **$9,500. None of the money could be recovered.**

> "If a caller instructs you to buy a Green Dot money card or other type of instant cash card, or to wire money somewhere, then it's **a scam**. It's as simple as that. **It doesn't matter what reason they give you, it is always a scam, every single time.**"
>
> Attorney General Wayne Stenehjem

Foreign Lottery/Sweepstakes

While some scams involve phony or illegal foreign lotteries, others scams use the name of actual sweepstake companies or state lottery games, in an effort to convince the victim of their supposed good fortune.

- A middle aged male from rural North Dakota was the victim of three intertwined sweepstakes scams in 2014. The victim supposedly won the "Tri-State Lottery," ($7.5 million & a car) and the Publishers Clearing House ($5.5 million & a Mercedes Benz), and Mega Millions ($11.8 million). To make their efforts appear legitimate, the scammers even sent phony prize verification documents.

  The victim sent approximately **$200,000** – involving **73 financial transactions** – to pay "fees" to receive his alleged winnings. After the victim's family became concerned, local law enforcement and the consumer protection division provided assistance.

  Unfortunately, none of the victim's money could be recovered.

CEASE & DESIST ORDERS

The division issued cease and desist orders against **31** businesses, banning them from doing business in the state.

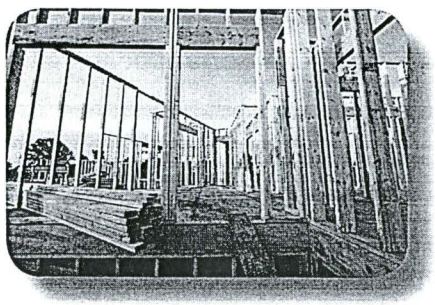
Almost all of the cease and desist orders were issued against unlicensed contractors who had taken money from homeowners and then either failed to complete the work for which they had been paid, or performed substandard work that had to be redone by a licensed contractor.

> "If you want the job done and done properly, then you have to do your homework first. At the very least, **before** you hand over any money you should make sure the contractor **is properly licensed.**"
>
> Attorney General Wayne Stenehjem

Contractor Licensing Requirements

Contractors must be licensed with the Secretary of State's office if they perform work valued at $4,000* or more, and must comply with state requirements for liability insurance and workforce safety insurance.

In addition, any contractor who is conducting temporary business within this state is required to obtain a Transient Merchant's License (issued by the Licensing section of the Attorney General's office).



* The previous $2,000 threshold was increased by the Legislature, effective April 15, 2015.

NEWS RELEASE

November 25, 2014

STENEHJEM BANS CONVICTED FELON FROM DOING BUSINESS IN THE STATE

BISMARCK, ND – Attorney General Wayne Stenehjem has issued a cease and desist order banning Chad Peda and Somer Hilleboe, doing business as CS Companies, Inc., of Horace, North Dakota, from conducting business in the state. Peda, who is a convicted felon, appears to have fled North Dakota.

The Consumer Protection division conducted an investigation after receiving a complaint from a consumer who had made an advance payment of $11,000 to Peda to demolish a garage and construct a new one. Peda never completed the work.

"Before paying any money to a contractor, check to make sure the contractor is legitimate and is properly licensed and bonded. It only takes a couple of minutes to check, but it could save you from losing both money and time," said Stenehjem.

The investigators found that neither Peda nor Hilleboe had ever been licensed as contractors in North Dakota. After being contacted by investigators, Peda made a partial refund to the consumer who had filed the complaint.

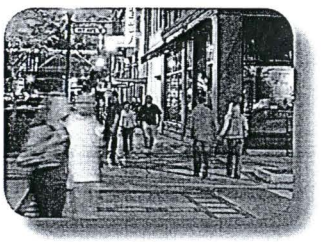
Court records show that Peda has previous convictions in Ransom and Benson counties for theft of property for soliciting and accepting advance payments for construction projects and then failing to complete the work. He owes over $130,000 in restitution on those criminal cases.

Parrell Grossman, director of the Consumer Protection Division, reminded consumers that contractors must be licensed with the Secretary of State's office if they perform work valued at $2,000* or more.

Consumers can check the Secretary of State's list of licensed contractors at http://www.nd.gov/sos/ or by calling (701) 328-2900.

Licensing

The Licensing section of the **Criminal & Regulatory division** issues licenses to **transient merchants,** alcoholic beverage retailers (bars, restaurants, liquor stores, etc.), wholesaler/retailer tobacco products dealers, coin operated amusement device operators ("crane" machines, pinball, etc.), fair boards, polygraph (lie detector) examiners, charitable gaming operators, gaming manufacturers and distributors, and wholesale fireworks distributors.



Licensees must meet eligibility requirements set by law. As part of the licensing process, the application is checked to ensure the business is registered with Secretary of State and has the required bonds, local licenses, safety inspections.

For alcohol licenses, each applicant must also successfully complete a criminal history record check (processed by the BCI). The license fees are set by statute and the cost depends on the type of license, population served and other factors.

Type of License	# Issued	Revenue Generated
Beer	3,453	$278,174
Liquor	3,251	$261,016
Cigarette	3,292	$52,168
Coin Operated	181	$66,250
Polygraph	42	$1,500
Fair Board	18	$900
Gaming/Distributor/ Manufacturer	1,210	$296,300
Wholesale fireworks	48	12,000
Transient Merchants	227	$45,400
TOTAL	**11,722**	**$1,013,708**

Over ***$1 million*** was transferred to the state's general fund in licensing fees.

The licenses are renewed each year; initial license application fees are prorated.

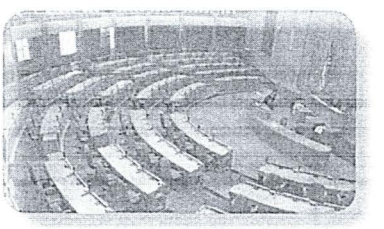
GAMING

Veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organizations located within North Dakota are eligible to apply for a state gaming license to raise money for charitable purposes.

Only licensed organizations may conduct "games of chance" (such as Bingo, Pull Tabs, Twenty-One and Poker). There are over three hundred licensed organizations operating **900** gaming sites across the state.

Revenue

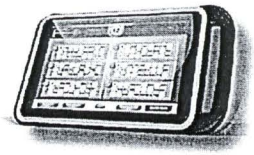
In 2013, the Legislature reduced the gaming tax rate for charitable organizations. As a result, although gaming revenues increased, the amount of funds generated to the state was **reduced**.



During the 2013-2015 biennium, the licensed gaming organizations grossed over **$571 million,** raising over **$43 million** for charitable uses (such as student scholarships, community crime prevention projects, financial and other assistance to injured and disabled veterans), and generating **$6.8** million in gaming taxes for the state's general fund (a 36% reduction from the previous biennium).

Quick Shot Bingo

In December 2014, Attorney General Wayne Stenehjem determined that electronic Quick Shot Bingo Card Marking Devices were "coin operated gaming devices," not permitted by law.



An electronic quick shot bingo game is played using 24 pre-selected letters and numbers on a maximum of 16 electronic bingo cards.

At the time, eight charitable organizations were using the devices in 18 sites. In just one financial quarter, those **eight** organizations reported combined adjusted gross earnings from Quick Shot Bingo of **$222,000**.

The 2015 Legislative Assembly passed House Bill 1235, which redefined Electronic Quick Shot Bingo as a bingo game type rather than a "coin-operated gaming device," and authorized its use by licensed organizations (when used in conjunction with a site operating system). Although the bill took effect after the end of the reporting period, four of the eight organizations that previously operated quick shot bingo indicated they would be resuming use of the devices.

Gaming Compliance

The Gaming division provides training to charitable organizations and enforces the charitable gaming laws. The division initiated **11** comprehensive field audits (involving unannounced on-site inspections), **16** in-office audits and **75** limited compliance audits, resulting in **63** administrative complaints.

The division collected **$34,000** in fines and referred **27** incidents of suspected criminal activity to local law enforcement, assisting local law enforcement with the investigations.

Tribal Gaming

The Gaming division also enforces the tribal-state gaming compacts, which authorize the state's Native American tribes to conduct gaming at casinos on tribal land. There are over 3,600 slot machines regulated under the compacts in North Dakota.

The three Gaming division regulators conduct random inspections at the state's five Indian casinos to ensure game integrity and compliance with wager limits and prize payout ratios.

NORTH DAKOTA LOTTERY

The Lottery conducts five multi-state games: PowerBall®, Hot Lotto®, Wild Card 2®, 2BY2® and Mega Millions®. The mix of games provides jackpots starting from $22,000 to $40 million.

Tenth Anniversary

The North Dakota Lottery celebrated its 10th Anniversary in March 2014 by rolling out a new logo and holding customer appreciation wheel spins at lottery retailer locations.

IMAGINE THE POSSIBILITIES

The Lottery generated total operating revenue of **$54.23 million** and net proceeds of **$14.32 million,** down slightly from last biennium. Ticket sales were slower than projected in part because there were fewer big jackpot runs for Powerball and Mega Millions.

Four hundred and fifty businesses across the state now sell North Dakota lottery tickets. These 450 gas stations, convenience stores, grocery stores and other locations earned an impressive **$2,718,032** in **sales commissions and bonuses**.

Lottery Generates Record Payouts

The North Dakota Lottery paid out a record **$28 million** in prizes this biennium, including a **$2 million Powerball** jackpot ticket and **two Wild Card 2 jackpot** tickets together worth over $1 million.

Since the Lottery began, ND players have won more than ***$89.4 million***.

New Lottery Game

The Lottery had hoped to join a new multi-state online game, the Monopoly Millionaires' Club Lottery Game. The Multi-State Lottery Association (MSCL) launched the game in several states in October 2014 and projected a February 2015 launch in North Dakota.

The game would have guaranteed multiple million dollar prizes each drawing and given players in each state a chance to become a contestant on the game's companion TV show. Unfortunately, games sales were consistently below projections and in December 2014, **MSCL suspended the game**.

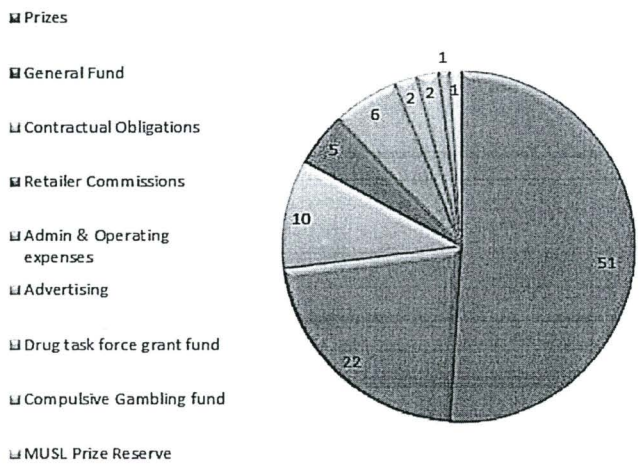
The North Dakota Lottery continues to work with MSCL to explore new game options.

Players Club

During the biennium, the Lottery launched its **Players Club**. Lottery players can enter webcodes from their lottery tickets to earn points that can be used for special members-only drawings and to purchase prizes from the Points for Prizes Store.

Lottery Ticket Sales

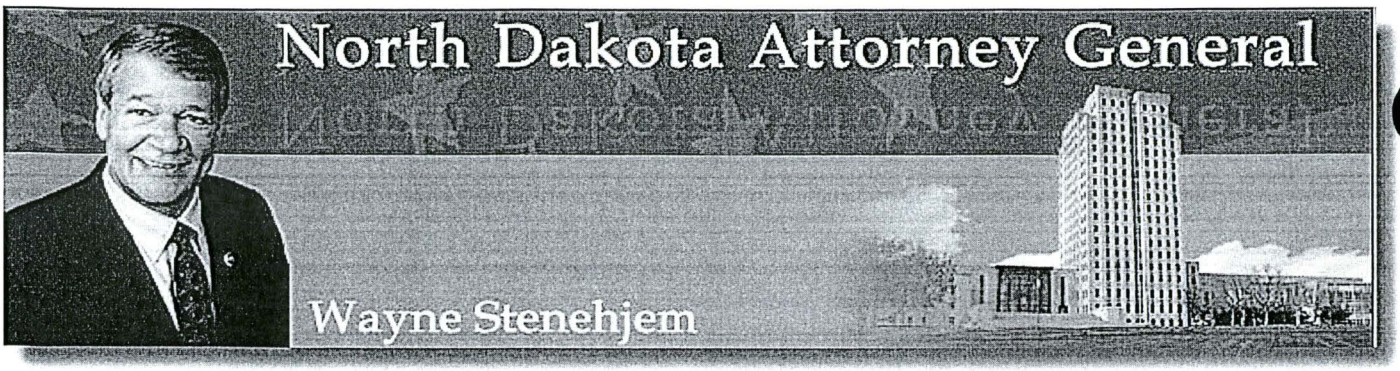
More than half of every $1 ticket (51¢) is paid out in prize money. State law determines how lottery proceeds are spent. Only 6¢ goes to administration and operating expenses:



Lottery Proceeds

The Lottery transferred **$13.3 million** to the state general fund, **$845,000** to the multi-jurisdictional drug task force grant fund, and **$400,000** to the compulsive gambling prevention and treatment fund.

The state's nine regional narcotics task forces coordinate multi-jurisdictional responses to drug-related activity. The grant awards are based on calendar year. During the biennium, more than **$916,600** was awarded to the task forces to offset rent, equipment, travel, fuel and other costs associated with the undercover operations.



INFORMING THE PUBLIC

QUICK FACTS

- Agents with the ND BCI assisted local law enforcement agencies in **1,670** drug and criminal investigations.
- The Criminal & Regulatory division prosecuted **116** individuals for drug offenses
- The Consumer Protection division filed 257 civil actions, resulting in **$3.18 million** in refunds to consumers.
- The North Dakota Lottery transferred **$13.3 million** to the state general fund.
- Of the 166 fire investigations conducted by the Fire Marshal's division, **24%** were determined to be arson.
- The Civil Litigation division recovered more than **$7.82 million** for ND state entities during the biennium.
- The Natural Resources Division collected more than **$2.25** million in penalties from companies violating the state's environmental protection laws.
- The Crime Laboratory processed **26,239** cases during the biennium, a 29% increase from the previous biennium.
- Over **$1 million** was transferred to the state's general fund in licensing fees.
- The State & Local division issued **44** opinions on open record and meeting violations and **24** legal opinions.

LifeSmarts
Learn it. Live it.

The **Consumer Protection division** continued its participation in the National Consumer League's **"LifeSmarts"** educational program that tests teens on their consumer knowledge in a fun way.

Students participate in online preliminary rounds to advance to the state final event. The state final, hosted by the Attorney General's office, is a game-show style competition with elimination rounds.

Jamestown High School won the competition in both 2014 and 2015, and went on to represent the state in the national competition.

PUBLIC INFORMATION

In addition to responding to thousands of telephone calls, emails and letters covering everything from requests for agency records to referrals to other government agencies, the administration division continued its efforts to provide the public with useful information regarding the Office of Attorney General and state government in general.

The office posts news releases and consumer alerts to its website, **www.ag.nd.gov,** and makes available numerous publications, reports, fact sheets, forms and manuals.

Fact Sheets & Publications

Asphalt Paving Scams

Choosing a Contractor

Collection Calls

Common Business Scams

Do Not Call

Eminent Domain - Landowner Rights

Fair Credit Reporting Act

Fair Debt Collections Practices Act

Foreign Lotteries

Gaming Update Newsletter

Grandparent Scam

I Want to File a Complaint

Identity Theft

IRS Enforcement Scam

Lottery Links Newsletter

Network Marketing/Pyramid Schemes

Online Auctions

Open Records and Meetings Guide

Open Records and Meetings Summary

Phishing Scams

Phony Yellow Pages Billing

Privacy and Safety Tips for Parents

Satellite and Cable Programming

Sex Offender Information

Small Claims Court in North Dakota

Smart Shopping Tips

Spoofed Telephone Numbers

Sweepstakes/Display Booths

Teens and Sex

Tenant Rights

Under the Microscope Newsletter

Victim of Tax Fraud

Work-at-Home Schemes

Reports and Manuals

Acquisition and Disposal of Property and Services (Bidding Manual)

Administrative Rules Manual

Biennial Reports, Office of Attorney General

Comprehensive Status and Trends 2014

Concealed Weapon Manual

Contract Drafting Manual

Crime & Homicide Reports

Domestic Violence Fatality Review Commission Annual Report

Extradition Manual

Law Reports

Open Records and Meetings Manual

Website

Attorney General Opinions

Breath Alcohol training for law enforcement

Concealed Weapon License application and information

Do Not Call Complaints

Drug Take Back Program

Security Freeze & Identity Theft

Sex Offender Registry (**sexoffender.nd.gov**)

Photos used with permission from the North Dakota Department of Commerce, North Dakota Tourism Division, ND Department of Corrections & Rehabilitation, ND Highway Patrol, Bismarck Convention & Visitor's Bureau.

Office of Attorney General
600 E. Boulevard Avenue
Dept. 125
Bismarck ND 58505
(701) 328-2210
(701) 328-2226 (fax)
E-Mail: ndag@nd.gov
Website: www.ag.nd.gov

Consumer Protection
1050 E. Interstate Ave Ste 200
Bismarck ND 58503
(701) 328-3404
Toll Free (800) 472-2600

Bureau of Criminal Investigation
PO Box 1054
Bismarck ND 58502
(701) 328-5500
Tip Hotline (800) 472-2185

Gaming Division
17th Floor, Capitol Building
(701) 328-4848

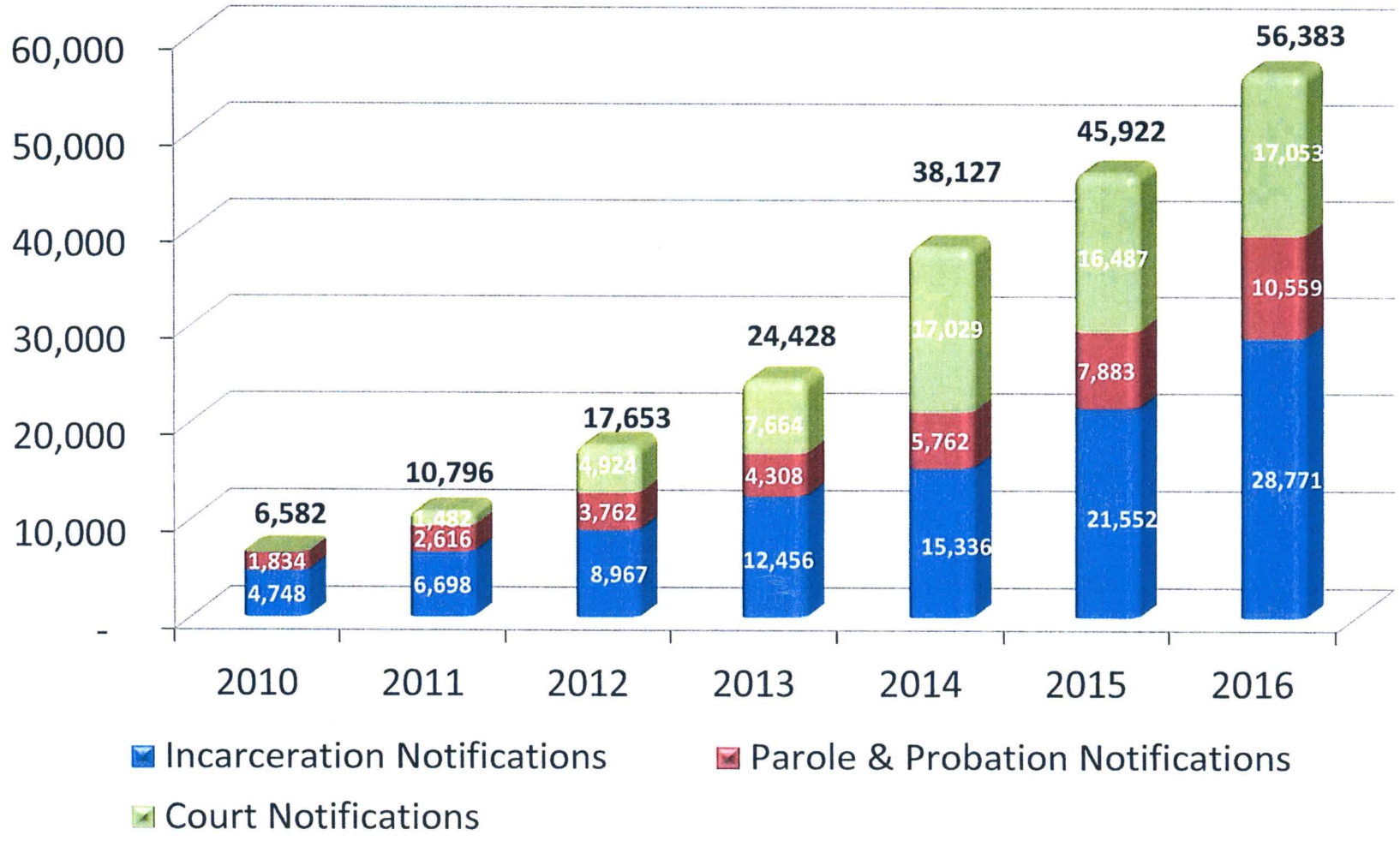
Licensing Section
17th Floor, Capitol Building
(701) 328-2329

Fire Marshal
250 N 31st Street Ste 7
Bismarck, ND 58501
(701) 328-5555

North Dakota Lottery
1050 E. Interstate Ave Ste 200
Bismarck ND 58503
(701) 328-1574
E-Mail: ndlottery@nd.gov
Website: www.lottery.nd.gov

HB 1003
3-7-17
3

ND SAVIN Notifications from 2010 Through 2016



OPTIONAL ADJUSTMENTS REQUESTED BY THE OFFICE OF ATTORNEY GENERAL COMPARED TO THOSE INCLUDED IN THE 2017-19 EXECUTIVE RECOMMENDATION

Optional Adjustments Requested	Amount	General Fund	Federal Funds
BCI vehicle radio upgrades due to FCC regulations changes	220,000	220,000	
BCI undercover vehicle replacements	300,000	300,000	
Restore BCI general fund reductions	1,100,526	1,100,526	
Crime Statistics Repository replacement	280,000	280,000	
Office IT Manual disaster failover/Disaster Recovery	29,357	29,357	
Restore 10% Fire Marshal operating expenses	40,000	40,000	
Crime Lab scientific equipment maintenance agreements	76,900	76,900	
Statewide Victim and Information Notification (SAVIN) program maintenance fees	92,633	92,633	
Common Statute Table/JustWare legal and business analysis	50,000	50,000	
Statewide SAVIN notification text messaging	9,480	9,480	
State's Attorney Records Management licenses	82,000	82,000	
State's Attorney Case Management System ITD hosting	66,000	66,000	
Portfolio management and business analysis/project management	125,000	125,000	
CJIS portal record source interface changes	100,000	100,000	
Statewide SAVIN program upgrade	55,000	55,000	
Rewrite DOS based office-wide deposit system	100,000	100,000	
CJIS application security analysis	50,688	50,688	
CJIS application security remediation	80,000	80,000	
BCI camera replacements	57,400	57,400	
Funding source change for 2 currently filled FTE's	(302,181)	(302,181)	302,181
Total	**2,612,803**	**2,612,803**	**302,181**

Optional Adjustments in the Executive Recommendation

The Executive Recommendation didn't include funding for any optional adjustments.

HB 1003
3-7-17
#4

HB 1003
3-7-17
#5

OFFICE OF ATTORNEY GENERAL BUDGET ISSUES AND REQUESTS

Office/State Impacts Due to 10% General Fund Reduction

The vast majority of the office's staff (81%) provides legal/law enforcement services to state and local entities by law. General fund reductions at this level significantly impact the office's ability to assist with local law enforcement cases, provide training and hands-on legal and law enforcement support, purchase needed supplies and equipment, travel to other locations, and to assist law enforcement throughout the state.

Governor Dalrymple required state agencies to submit budgets reflecting 10% general fund reductions (90% budgets) – for this office it translated into a $5.17 million general fund reduction. As a result of this, the following are the general fund reductions made by this office:

1	An auditor
3	Administrative assistants - requested funding source change for one position and one was a reduction in force due to the allotments
1	Forensic scientist
1	Intelligence analyst - requested funding source change
6	Total positions reduced/funding source changes

Position funding sources were changed wherever possible which is a temporary solution. Where retirements occurred, staff filling these positions was paid less than the previous person. Abortion litigation fees were removed.

In addition, general fund operating expenses (including criminal investigator and deputy fire marshal business travel, IT contractual services used to replace lack of staff), were reduced by $1.8 million. CJIS expenses were reduced by $189,000 related to IT projects for law enforcement, victims, and state's attorney staffs.

HB 1003
3-7-17
#6

Office of Attorney General
Additional Reductions Recommended By Governors' Dalrymple and Burgum and House Actions for Engrossed House Bill No. 1003

Governor Dalrymple's recommended budget included the following additional reductions in addition to the 10% general fund reductions required for the 2017-19 biennium.

Staff Reductions:

- 2 vacant criminal investigative positions left open due to the general fund allotments
- 1 previously vacant system administrator, now filled
- 1 vacant identification technician, who performs criminal history record checks, and remains vacant due to the general fund allotments
- Changed the funding source for 1 criminal intelligence analyst which was vacant due to the general fund allotments
- 4 filled criminal investigative positions
- 2 at large filled FTE's
- 1 filled assistant attorney general
- 1 additional filled forensic scientist
- Changed the funding source for 1 BCI administrative assistant

Law enforcement overtime and office temporary salaries were also reduced. The above position reductions significantly impact the performance of the office's responsibilities, particularly in law enforcement assistance to locals since the criminal investigators, administrative assistants, identification technician, system administrator, forensic scientists, and an attorney necessary to provide law enforcement services to local and state units of government.

The Governor's base budget recommendation included continuation of the criminal investigator and gaming audit staff market equity increases since these are not one-time expenditures. The recommendation also included $893,509 for 2017-19 biennium compensation and benefit increases. Of the total $818,534 is from the general fund, $8,139 is from federal funds, and $66,836 is from other funds.

The IT manual disaster failover process included in the Governor's base budget recommendation totals $130,153 from the general fund and is desperately needed to assure all IT systems can be recovered quickly in the event of a disaster. The office currently operates without such a system. If a large scale disaster occurs, it could take weeks to bring office systems back into operation, several of which are critical to all law enforcement. With this project recovery of all office IT systems/data will likely take 24-48 hours with only 1-4 hours of data loss.

The Governor's base budget includes an increase of $37,500 in other funds for tribal gaming auditing activities and $175,000 in other funds for increased statewide fire inspections.

Governor Dalrymple removed almost $2 million in general fund moneys from the office's budget.

Governor Burgum removed 2 more positions and $1.435 million more from the general fund.

The House reduced the office's general fund appropriation by about $3 million and removed 3 more FTE's.

The total general fund reductions to the office's budget from the required 10% reduction, Governor Dalrymple's general fund budget reductions and the House general fund budget reductions is $10.1 million, a 21.1% reduction from the starting 2017-19 biennium base budget.

HB 1003
3-7-17
#7

OFFICE OF ATTORNEY GENERAL PROPOSED CHANGES TO 2017 ENGROSSED HOUSE BILL NO. 1003

1. The office requests restoration of four criminal investigators to continue to assist local law enforcement. BCI has not experienced any type of workload slowdown in any part of the state from the post oil boom. Heroin use is at an all-time high. Heroin laced with the deadly compounds fentanyl and carfentanyl has resulted in numerous overdoses and overdose death investigations for office criminal investigators. Marijuana, prescription drug abuse, and methamphetamine (meth) are still prevalent.

2. This is a request to restore a forensic scientist removed from the office budget. A forensic scientist usually trains to work in DNA, drug chemistry, or toxicology. To lose a forensic scientist results not only in losing valuable, very technical experience; it also results in costly, specialized training walking out the door with the individual.

3. This $280,000 general fund project is to replace the Uniform Crime Reporting Repository (UCRR) system, which is reaching the end of its life and system support in the 2017-19 biennium. The UCRR system is the North Dakota repository of National Incident-Based Reporting System (NIBRS) information, as required by state N.D.C.C. § 12.1-62-01.1. The statistics provided by the UCRR system are used across the state to provide information that is useful to policy-makers, community leaders, and law enforcement agencies so they understand criminal activity and develop better prevention and enforcement policies and techniques. State & federal agencies that are supplying grants to law enforcement agencies utilize the NIBRS statistics to see what crime statistics the law enforcement agency is reporting before awarding funds. Crime rates and trends are also important information for the public.

4. This project will rewrite the antiquated office-wide deposits system from DOS to .NET. The current application will not run on a 64 bit operating system (Windows 10, which is currently out and in use, is a 64 bit operating system). The deposit system has been unsupported by a vendor for a decade and the person who knew how to maintain it retired. The database fills up and the office has no way to empty it or add space. After conducting system analytics this request has become a much higher priority and the request is for $100,000 from the general fund. This system works in conjunction with several office systems and this DOS system is no longer workable given the upgrades/rewrites to the other office systems.

5. To cover the expenses of the additional criminal history record checks approved by legislature the Office will need 1-1/2 identification technicians and $232,731 from the general fund. The office appropriation bill needs to include that all entities will pay for their record checks since some of the approved legislation was silent on this matter.

6. If this office is responsible to notify victims as a result of Marsy's law passage, to comply with the measure as passed is estimated to cost $815,000 from the general fund (1 part-time temporary - $73,000; and $742,000 in operating – these are primarily one-time costs). A determination needs to be made regarding the entity responsible for the cost of victim notification cards which need to be provided to each individual contacted as a possible victim to comply with the law.

HB 1003 SubCom
3-23-17

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

JAN - 6 2017

Administrator
Washington, DC 20201

#1

The Honorable Jack Dalrymple
Governor of North Dakota
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Governor Dalrymple:

Thank you for your letter dated September 12, 2016, in which you requested that the State of North Dakota be granted a new waiver from the requirement that it operate a Medicaid Fraud Control Unit (MFCU). Along with your letter, you enclosed several documents in support of the state's waiver request, including those that address fraud and abuse efforts in its managed care program; expenditure summaries; corrective actions taken related to various state and federal program integrity reviews; and state abuse and neglect processes.

As you are aware, section 1902(a)(61) of the Social Security Act outlines two criteria, which must co-exist, under which a state may be granted a waiver from the requirement to operate a MFCU. To qualify for a waiver, a state must demonstrate to the satisfaction of the Department of Health and Human Services' (HHS) Secretary: (1) that the effective operation of a MFCU would not be cost-effective because minimal fraud exists in connection with the provision of covered services to eligible individuals under the state plan, and (2) that beneficiaries under the plan are protected from abuse and neglect in connection with the provision of services under the plan without the existence of a MFCU. The Centers for Medicare & Medicaid Services (CMS) has carefully reviewed the information you provided and determined that the state's waiver request does not meet these criteria.

We appreciate the analysis outlined in your letter of MFCUs in similar sized states that had years in which operational costs exceeded their recoveries. However, we do not believe that this observation is indicative of a MFCU's cost-effectiveness. Monetary recoveries are only one factor in measuring the success and impact of an effective MFCU. MFCUs primarily conduct criminal prosecutions that result in criminal indictments and convictions, in addition to the recovery of criminal restitution. MFCUs' deterrent value, and the sentinel effect of their successful criminal and civil cases, cannot be measured in dollars. This is especially so for prosecutions of patient abuse or neglect that occur in North Dakota health facilities, which typically do not involve a Medicaid overpayment and result in criminal outcomes with no monetary recovery.

Moreover, in reviewing the recovery information in similar states, while in a single year MFCU operational costs may exceed recoveries when analyzing MFCUs over a longer period of time, such as a 3-year period (2013-2015), recoveries in similar sized states often exceeded the operational costs of operating a MFCU. Wyoming, for example, recovered roughly $3.1 million and expended $1.4 million, and South Dakota recovered roughly $7 million and expended $1.2 million. While Montana had a negative return on investment for this time period, during the prior 3-year period (2010-2012), Montana had recoveries of $3.2 million and expenditures of

pg 1

$697,345. Overall, the data suggest that MFCUs are cost-effective in the similar sized states, and there is insufficient reason to believe that a MFCU operating in North Dakota will be an exception.

Your letter offers an analysis conducted by Optum related to Professional Provider Specialty Peer Outliers suggesting that minimal fraud exists in North Dakota's Medicaid program and that beneficiaries are protected from abuse and neglect without the existence of a MFCU. This Optum analysis was only for Sanford Health Plan, and therefore, covers only North Dakota's Medicaid expansion population and represents only about 25 percent of the state's Medicaid budget. CMS does not believe this information persuasively argues that the operation of a MFCU would not be cost-effective because minimal fraud exists in North Dakota and that beneficiaries under the plan would be protected from abuse and neglect without the existence of a MFCU.

Finally, the enclosures to your letter include a description of the affirmative steps taken by HHS in response to program integrity-related deficiencies identified by CMS and other agencies. CMS appreciates these actions, but none of them are germane to our determination that the state has not demonstrated in its request that minimal fraud exists or that, absent a MFCU, all beneficiaries under the plan are fully protected from abuse and neglect. In sum, upon carefully reviewing the information provided, CMS has determined that North Dakota has not demonstrated that operating a MFCU would not be cost-effective because minimal fraud exists and that all beneficiaries under the plan are fully protected from abuse and neglect without the existence of a MFCU.

As such, CMS is requesting that North Dakota submit an implementation plan within 60 days of receipt of this letter. The implementation plan should include a timetable for establishing a MFCU, including the earliest feasible date by which North Dakota will submit an application for certification of a MFCU to the Office of Inspector General (OIG). Please submit the implementation plan to the CMS Administrator and provide a copy of your reply to Daniel R. Levinson, Inspector General, 330 Independence Ave., SW, Washington DC 20201.

Should you or your staff have questions about this letter, please contact Jonathan Morse, Deputy Director, Center for Program Integrity, Centers for Medicare & Medicaid Services, at 410-786-1892, Jonathan.Morse@cms.hhs.gov, while questions about requirements of the MFCU program may be directed to Richard Stern, Director, OIG Medicaid Fraud Policy and Oversight Division, at 202-205-0572, Richard.Stern@oig.hhs.gov. Mr. Stern's OIG division would be pleased to provide North Dakota with technical assistance regarding establishing a MFCU, and CMS looks forward to continuing to work with you to protect North Dakota's Medicaid program against fraud and abuse, and its beneficiaries against abuse and neglect.

Sincerely,

Andrew M. Slavitt
Acting Administrator

pg 2

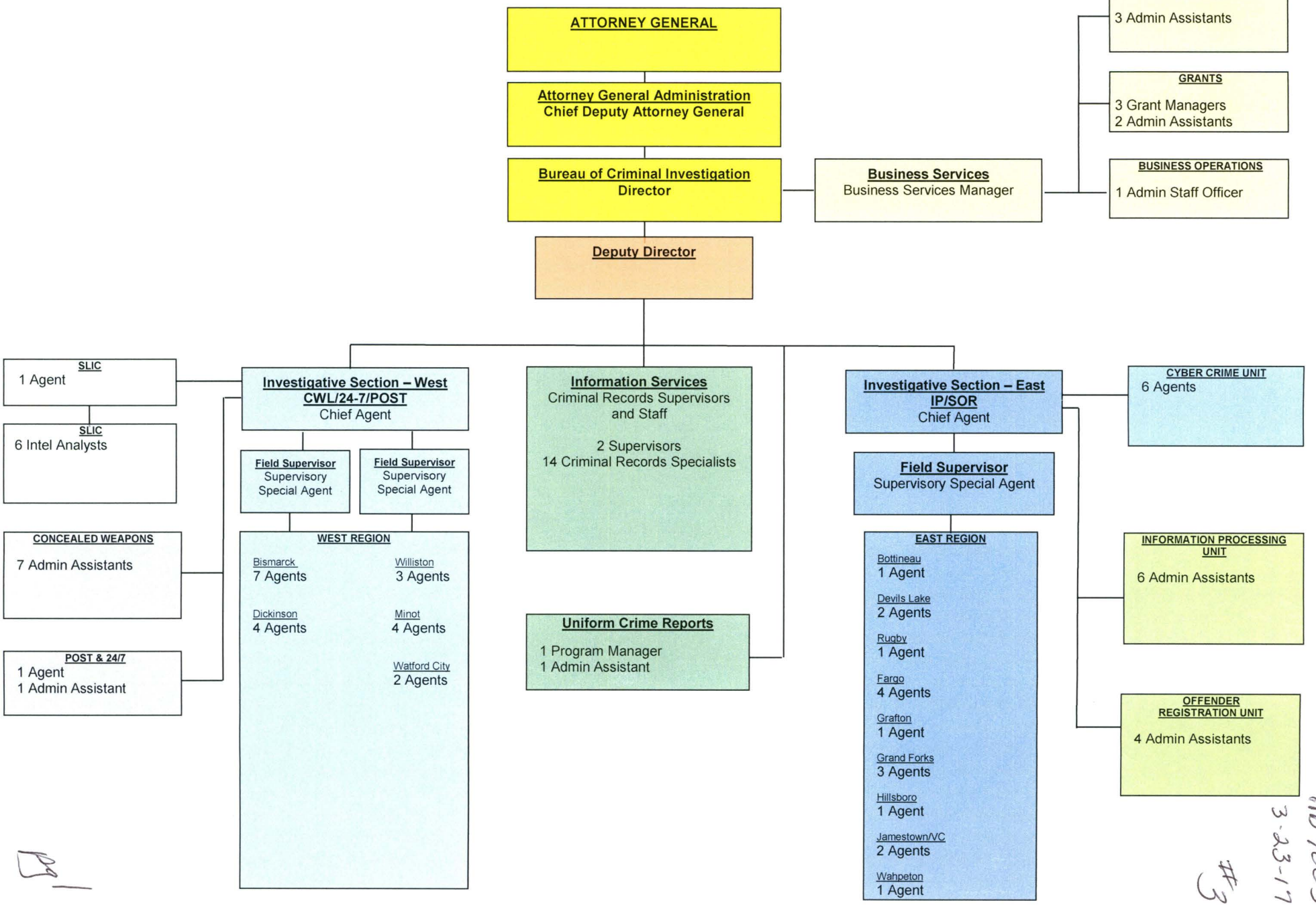
HB 1003
3-23-17
#2

2017-19 BIENNIUM OFFICE OF ATTORNEY GENERAL SENATE GENERAL FUND RESTORATION/ADDITION REQUESTS - ENGR. HOUSE BILL NO. 1003

NUMBER		EACH	TOTAL GF
4	CRIMINAL INVESTIGATORS	180,000	720,000
1	FORENSIC SCIENTIST	170,000	170,000
1	IDENTIFICATION TECHNICIAN	164,000	164,000
	UNIFORM CRIME REPORTING REWRITE	280,000	280,000
	DOS BASED DEPOSIT SYSTEM REWRITE	100,000	100,000
	TOTAL GF REQUESTED		**1,434,000**

pg 1

North Dakota Office of Attorney General
Bureau of Criminal Investigation
Organizational Chart B
03/01/2017 (sc)



Pg 1

HB 1003
3-23-17
#3

HB 1003 Sub
3-29-17
#1

SECTION 1. NORTH DAKOTA STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS – APPROPRIATION. There is hereby appropriated the sum of $500,000 from the Oil Impact Fund to the attorney general for the purpose of enhancing the North Dakota Automated Victim Information and Notification Program, as defined in 12.1-34-01, to provide the notifications required by Marsy's Law, as set forth in Article I, Section 25, of the North Dakota Constitution.

SECTION 2. COST-SHARING PROGRAM – APPROPRIATION. 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 North Dakota Statewide Automated Victim Information and Notification Program, as defined in 12.1-34-01, not otherwise appropriated by the legislature, as set forth in Section ___. The cost-sharing program shall apportion the sum of $315,000 among the political subdivisions of the state. The political subdivisions of the state shall contribute funds to the attorney general under the terms set forth in the cost-sharing program created by the attorney general. The funds paid by the political subdivisions to the attorney general are hereby appropriated to the attorney general to defray the expenses of the enhancement of the North Dakota Statewide Automated Victim Information and Notification Program, as defined in 12.1-34-01.

SECTION 3. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the cost share of the political subdivisions pursuant to Section ___ of this act be funded through use of any additional income realized through the victim witness fee as a result of Section ___ of this act, or a proportionate contribution from the counties, and from the cities that utilize the Odyssey system, or a combination thereof.

SECTION 4. 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~~ must, 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~~ must, 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~~ must 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~~ must 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 defined in 12.1-34-01.

SECTION 5. INDUSTRIAL COMMISSION LITIGATION FUNDS – USE. The funds appropriated to the industrial commission for litigation expenses are available to the attorney general for litigation related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota Access Pipeline project.

SECTION 6. CRIMINAL HISTORY RECORD CHECKS – FEES – APPROPRIATION. 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 to the attorney general for such criminal history record check. Any fees collected by the attorney general from such persons or

entities are hereby appropriated to the attorney general to defray the expenses associated with conducting the criminal history record checks.

SECTION 7. ___ new sections to chapters ___ of the North Dakota Century Code are created and enacted as follows:

Definitions.

As used in this Act, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the medicaid program if the disregard or failure results or may result in payment by a medicaid agency of medical assistance payments or benefits to which the provider knows they are not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the medicaid program.

3. "Claim" means any request or demand, whether under a contract or otherwise, for money or property under the medicaid program and whether or not the state has title to the money or property, that is:

a. Presented to an officer, employee, or agent of the state; or

b. Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state

(1) Provides or has provided any portion of the money or property requested or demanded; or

(2) Will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property;

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means any conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that results in or

may result in medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" require no proof of specific intent to defraud and mean that a person, has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

10. "Medicaid agency" means any agency or entity of state, county, or local government which administers any part of the medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

11. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

12. "Obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

13. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based, or who has knowledge that is independent of and materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this Act.

14. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1 - 16, 12.1 - 17,12.1 - 18, 12.1 - 20, or 12.1 - 22.

15. "Patient neglect" means a failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods and services necessary to avoid physical harm, mental anguish, or mental

illness if an omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1 - 17 - 03.

16. “Proceeds” means civil penalties and damages and excludes attorney fees and costs.

17. "Provider" means an individual or entity that furnishes items or services for which payment is claimed under medicaid.

18. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

a. Pertaining to the provision of treatment, care, services, or items to a recipient;

b. Pertaining to the income and expenses of the provider; or

c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the medicaid program.

Liability for certain acts – civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of not less than five thousand five hundred dollars and not more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

c. Conspires to commit a violation of this subsection;

d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the

state, makes or delivers a receipt without completely knowing the information on the receipt is true;

f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state;

2. In a civil action brought under this section, a court shall assess a civil penalty of not less than five thousand five hundred dollars and not more than eleven thousand dollars for each act specified in this section, and not less than two times and not more than three times the amount of damages the state sustains because of the person's act. However, the court may assess not less than two times the amount of damages which the state sustains because of the act of the person and the person shall be liable to the state for the costs of the civil action brought to recover any such penalty or damages if the court finds all of the following:

a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information.

b. The person fully cooperated with any investigation of the act by the attorney general.

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates the provisions of this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed: in a criminal, civil, or administrative hearing in which the state or its agent is

a party; in a legislative, state auditor or other state report, hearing, audit or investigation; or from the news media,

Limitation of actions.

1. Unless otherwise specified, a civil action filed under this Act must be brought by the later of:

a. Six years after the date on which the violation was committed; or

b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought pursuant to subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

Investigation and action by attorney general.

The attorney general's medicaid fraud control unit shall investigate an alleged violation of this Act and may file a civil action, a criminal action, or both against any person that violated or is violating this Act.

Complaint by person - civil action.

1. A person may bring a civil action for a violation of this Act on behalf of the person and the state. The action must be brought in the name of the state. The action may be dismissed only if the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders that it be served.

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to any complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by an act of the person bringing the action. The person bringing the action has the right to continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts it:

a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, no person other than the attorney general may intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

a. Limiting the number of witnesses the person may call;

b. Limiting the length of testimony of witnesses called by the person;

c. Limiting the person's cross-examination of witnesses; or

d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more

than sixty days. The court may extend the sixty day period upon a further in camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If any such alternate remedy is pursued, the person initiating the action shall have the same rights in such proceeding as they would in proceeding under this section. Any finding of fact or conclusion of law made in such other proceeding that has become final shall be conclusive on all parties to an action under this section. A finding or conclusion is final if it has been determined on appeal to the appropriate court, if time for filing such an appeal has expired or if the finding or conclusion if not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of a person who has brought an action to clarify or add detail to the claim in which the attorney general is intervening and to add additional claims with which the attorney general contends it is entitled to relief. For statute of limitations purposes, any such pleading shall relate back to the filing date of the complaint of the person who originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the prior complaint of that person.

Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

Burden of proof.

The standard of proof in civil actions brought under this section is the preponderance of the evidence.

Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person pursuant to section 6 of this Act, the person is entitled to receive at least fifteen percent, but not more

than twenty - five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action pursuant to this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred, and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action pursuant to section 6 of this Act, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty - five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this Act, the court may reduce or eliminate the share of the proceeds the person would otherwise receive pursuant to subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this Act are cumulative to each other and to the remedies or penalties available under all other laws of the state.

Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this Act is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which it has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought pursuant to this Act which prevails in an action that is not settled and that the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were co-plaintiffs.

Relief from retaliatory actions.

1. Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent or associated others in furtherance of an action under this Act or other efforts to stop one or more violations of this Act.

2. Relief under paragraph 1 shall include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the Court to approve any settlement.

Medicaid fraud control unit.

The medicaid fraud control unit is established as a division of the attorney general's office. The medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high professional competence in criminal and civil investigative procedures and high professional competence to prosecute crimes. The medicaid fraud control unit is a criminal justice agency within the meaning of section 12 - 60 - 16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money will be forwarded to the designated state medicaid agency for remittance to the general fund. The portion of state match appropriations for the medicaid fraud control unit will be appropriated from state general fund.

Powers and duties of medicaid fraud control unit.

1. The medicaid fraud control unit shall:

a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the medicaid program;

e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed and other information and documents for purposes of program exclusions or other sanctions or penalties under medicaid, medicare, or other state or federal benefit or assistance programs; and

f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the medicaid program.

2. The medicaid fraud control unit may:

a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

b. Upon request, obtain information and records from applicants, recipients, and providers;

c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including

applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information

provided to or in the possession of the tax commissioner or the state auditor;

d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

Investigative demand procedure

1. When there is reason to believe that any person may be in possession, custody, or control of any documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter issue in writing and cause to be served upon such person, on forms the attorney general prescribes, an investigative demand requiring such person to:

a. Produce such documentary material for inspection and copying,

b. Answer in writing written interrogatories with respect to such documentary material or information,

c. Be examined under oath concerning such documentary material or information, or

d. To furnish any combination of such material, answers, or testimony.

2. Each investigative demand shall state the nature of the conduct constituting the alleged violation of law which is under investigation, and the applicable provision of law alleged to be violated.

3. Any investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving any investigative demand setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail,

such return shall be accompanied by the return post office receipt of delivery of such demand.

4. If such demand is for the production of documentary material, the demand shall:

a. Describe each class of documentary material to be produced with such definiteness and certainty as to permit such material to be fairly identified; and

b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section shall be made under a sworn certificate stating that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the agent identified in the demand, by:

a. In the case of a natural person, the person to whom the demand is directed, or

b. In the case of a person other than a natural person, a person having knowledge of the facts and circumstances relating to such production and authorized to act on behalf of such person.

6. Any person upon whom any investigative demand for the production of documentary material has been served under this section shall make such material available for inspection and copying to the agent identified in such demand at the principal place of business of such person, or at such other place as the agent and the person thereafter may agree and prescribe in writing. Such material shall be made so available on the return date specified in such demand, or on such later date as the agent may prescribe in writing. Such person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of such material.

7. If such demand is for answers to written interrogatories, the demand shall:

a. Set forth with specificity the written interrogatories to be answered; and

b. Prescribe dates at which time answers to written interrogatories shall be submitted.

8. Each interrogatory in an investigative demand served under this section shall be answered separately and fully in writing under oath and shall be submitted under a sworn certificate, in such form as the demand designates, by:

a. In the case of a natural person, the person to whom the demand is directed, or

b. In the case of a person other than a natural person, the person or persons responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection shall be stated in the certificate instead of an answer. The certificate shall state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any information is not furnished, the information shall be identified and reasons set forth with particularity explaining why the information was not furnished.

10. If such demand is for the giving of oral testimony, the demand shall:

a. Prescribe a date, time, and place at which oral testimony shall be commenced;

b. Specify that such attendance and testimony are necessary to the conduct of the investigation;

c. Notify the person receiving the demand of the right to be accompanied by an attorney; and

d. Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

The examination of any person pursuant to an investigative demand for oral testimony served under this section shall be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if such material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If any person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing thereon, request an order requiring compliance. If the attorney general prevails in a proceeding pursuant to this section, the court may assess the non-prevailing person for all hearing costs, including reasonable attorney's fees.

Medicaid fraud – criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

b. Solicits, accepts, offers, or provides any remuneration, including but not limited to a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the medicaid program;

c. Makes, offers, or accepts a remuneration, a rebate of a fee, or a charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the medicaid program; or

d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the medicaid program.

2. Any conduct or activity that does not violate or that is protected under the provisions of, or federal regulations adopted under, 42 U.S.C. 1395nn or 42 U.S.C. 1320a-7b(b), as may be amended, is not considered an offense under subsection (1)(b), and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services or claims not exceeding $1000 in value is guilty of a Class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this Act is a Class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this Act is a Class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this Act is a class A felony.

a. For purposes of imposing sentence for a conviction under this Act, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, services involved is the greater of the value of medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

b. Amounts involved in medicaid fraud committed pursuant to a common scheme or the same transaction may be aggregated in determining the value involved.

c. A person convicted of the offense of medicaid fraud must be suspended from participation in the medicaid program:

(1) For any period of time not less than one year for a first offense or the person may be permanently terminated from participation in the medical assistance program;

(2) For any period of time not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

(3) Permanently for a third offense.

8. In addition to any other penalty provided by law, a person convicted of medicaid fraud is not entitled to bill or collect from the recipient, the medicaid program, or any other third-party payer for the services or items involved and shall repay to the medicaid program any payments or benefits obtained by any person for the services or items involved.

Cooperation of governmental agencies with medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

HB 1003 Sub-com
3-29-17
2

17.0488.02001
Title.

Prepared by the Legislative Council staff for
the Senate Appropriations Committee
March 24, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$784,865	$41,288,730
Operating expenses	24,672,585	(8,495,027)	16,177,558"

Page 2, replace line 1 with:

"Total all funds	$83,714,313	($8,179,765)	$75,534,548"

Page 2, replace lines 3 and 4 with:

"Total general fund	$48,466,861	($3,412,861)	$45,054,000
Full-time equivalent positions	250.00	(13.00)	237.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The amendment adds $1,054,000 from the general fund to restore 4 FTE criminal investigator positions ($720,000), 1 FTE forensic scientist position ($170,000), 1 FTE identification technician position ($131,446), and related operating expenses ($32,554).

HB 1003 Sub-com.
3-29-17

17.0488.02002
Title.

Prepared by the Legislative Council staff for
Senator Kilzer
#3

March 23, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, after the semicolon insert "to authorize transfers;"

Page 2, after line 19, insert:

"**SECTION 4. LINE ITEM TRANSFER AUTHORIZATION.** The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Renumber accordingly

HB 1013 Sub-com.
3-29-17
#4

17.0488.02003
Title.

Prepared by the Legislative Council staff for
Senator Kilzer
March 24, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 2, after line 19, insert:

"**SECTION 4. 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an exemption and authorizes the Attorney General to continue up to $100,000 of 2015-17 biennium general fund appropriations for higher education legal services and use the funding in the 2017-19 biennium for litigation fees.

Subcommittee HB 1003
4-3-17
#1
p1

SECTION ___. ___ new sections to chapters ___ of the North Dakota Century Code are created and enacted as follows:

Definitions.

As used in this Act, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the medicaid program if the disregard or failure results or may result in payment by a medicaid agency of medical assistance payments or benefits to which the provider knows they are not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the medicaid program.

3. "Claim" means any request or demand, whether under a contract or otherwise, for money or property under the medicaid program and whether or not the state has title to the money or property, that is:

a. Presented to an officer, employee, or agent of the state; or

b. Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state

(1) Provides or has provided any portion of the money or property requested or demanded; or

(2) Will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property;

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means any conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that results in or may result in medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" require no proof of specific intent to defraud and mean that a person, has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

10. "Medicaid agency" means any agency or entity of state, county, or local government which administers any part of the medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

11. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

12. "Obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

13. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based, or who has knowledge that is independent of and materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this Act.

14. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1 - 16, 12.1 - 17,12.1 - 18, 12.1 - 20, or 12.1 - 22.

15. "Patient neglect" means a failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods and services necessary to avoid physical harm, mental anguish, or mental illness if an omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with

#1
P3

respect to a patient which would constitute a criminal offense under section 12.1 - 17 - 03.

16. "Proceeds" means civil penalties and damages and excludes attorney fees and costs.

17. "Provider" means an individual or entity that furnishes items or services for which payment is claimed under medicaid.

18. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

a. Pertaining to the provision of treatment, care, services, or items to a recipient;

b. Pertaining to the income and expenses of the provider; or

c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the medicaid program.

Liability for certain acts – civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of not less than five thousand five hundred dollars and not more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

c. Conspires to commit a violation of this subsection;

d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true;

#1
p4

f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state;

2. In a civil action brought under this section, a court shall assess a civil penalty of not less than five thousand five hundred dollars and not more than eleven thousand dollars for each act specified in this section, and not less than two times and not more than three times the amount of damages the state sustains because of the person's act. However, the court may assess not less than two times the amount of damages which the state sustains because of the act of the person and the person shall be liable to the state for the costs of the civil action brought to recover any such penalty or damages if the court finds all of the following:

a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information.

b. The person fully cooperated with any investigation of the act by the attorney general.

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates the provisions of this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed: in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor or other state report, hearing, audit or investigation; or from the news media,

Limitation of actions.

1. Unless otherwise specified, a civil action filed under this Act must be brought by the later of:

a. Six years after the date on which the violation was committed; or

b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought pursuant to subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

Investigation and action by attorney general.

The attorney general's medicaid fraud control unit shall investigate an alleged violation of this Act and may file a civil action, a criminal action, or both against any person that violated or is violating this Act.

Complaint by person - civil action.

1. A person may bring a civil action for a violation of this Act on behalf of the person and the state. The action must be brought in the name of the state. The action may be dismissed only if the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders that it be served.

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to any complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

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p 6

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by an act of the person bringing the action. The person bringing the action has the right to continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person who initiated the action conducts it:

a. Upon the attorney general's request, the person who initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, no person other than the attorney general may intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

a. Limiting the number of witnesses the person may call;

b. Limiting the length of testimony of witnesses called by the person;

c. Limiting the person's cross-examination of witnesses; or

d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than sixty days. The court may extend the sixty day period upon a further in camera showing that the attorney general has pursued the criminal or civil

investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If any such alternate remedy is pursued, the person initiating the action shall have the same rights in such proceeding as they would in proceeding under this section. Any finding of fact or conclusion of law made in such other proceeding that has become final shall be conclusive on all parties to an action under this section. A finding or conclusion is final if it has been determined on appeal to the appropriate court, if time for filing such an appeal has expired or if the finding or conclusion if not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of a person who has brought an action to clarify or add detail to the claim in which the attorney general is intervening and to add additional claims with which the attorney general contends it is entitled to relief. For statute of limitations purposes, any such pleading shall relate back to the filing date of the complaint of the person who originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the prior complaint of that person.

Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

Burden of proof.

The standard of proof in civil actions brought under this section is the preponderance of the evidence.

Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person pursuant to section 6 of this Act, the person is entitled to receive at least fifteen percent, but not more than twenty - five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

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P8

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action pursuant to this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred, and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action pursuant to section 6 of this Act, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty - five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this Act, the court may reduce or eliminate the share of the proceeds the person would otherwise receive pursuant to subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

#1
p9

7. Unless otherwise provided, the remedies or penalties provided by this Act are cumulative to each other and to the remedies or penalties available under all other laws of the state.

Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this Act is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which it has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought pursuant to this Act which prevails in an action that is not settled and that the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were co-plaintiffs.

Relief from retaliatory actions.

1. Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent or associated others in furtherance of an action under this Act or other efforts to stop one or more violations of this Act.

2. Relief under paragraph 1 shall include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs

#1
p 10

and reasonable attorneys' fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the Court to approve any settlement.

Medicaid fraud control unit.

The medicaid fraud control unit is established as a division of the attorney general's office. The medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high professional competence in criminal and civil investigative procedures and high professional competence to prosecute crimes. The medicaid fraud control unit is a criminal justice agency within the meaning of section 12 - 60 - 16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money will be forwarded to the designated state medicaid agency for remittance to the general fund. The portion of state match appropriations for the medicaid fraud control unit will be appropriated from state general fund.

Powers and duties of medicaid fraud control unit.

1. The medicaid fraud control unit shall:

a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments,

#1
p11

fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the medicaid program;

e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed and other information and documents for purposes of program exclusions or other sanctions or penalties under medicaid, medicare, or other state or federal benefit or assistance programs; and

f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the medicaid program.

2. The medicaid fraud control unit may:

a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

b. Upon request, obtain information and records from applicants, recipients, and providers;

c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including

applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

Investigative demand procedure

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p 12

1. When there is reason to believe that any person may be in possession, custody, or control of any documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter issue in writing and cause to be served upon such person, on forms the attorney general prescribes, an investigative demand requiring such person to:

a. Produce such documentary material for inspection and copying,

b. Answer in writing written interrogatories with respect to such documentary material or information,

c. Be examined under oath concerning such documentary material or information, or

d. To furnish any combination of such material, answers, or testimony.

2. Each investigative demand shall state the nature of the conduct constituting the alleged violation of law which is under investigation, and the applicable provision of law alleged to be violated.

3. Any investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving any investigative demand setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail,

such return shall be accompanied by the return post office receipt of delivery of such demand.

4. If such demand is for the production of documentary material, the demand shall:

a. Describe each class of documentary material to be produced with such definiteness and certainty as to permit such material to be fairly identified; and

b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section shall be made under a sworn certificate stating that

all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the agent identified in the demand, by:

a. In the case of a natural person, the person to whom the demand is directed, or

b. In the case of a person other than a natural person, a person having knowledge of the facts and circumstances relating to such production and authorized to act on behalf of such person.

6. Any person upon whom any investigative demand for the production of documentary material has been served under this section shall make such material available for inspection and copying to the agent identified in such demand at the principal place of business of such person, or at such other place as the agent and the person thereafter may agree and prescribe in writing. Such material shall be made so available on the return date specified in such demand, or on such later date as the agent may prescribe in writing. Such person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of such material.

7. If such demand is for answers to written interrogatories, the demand shall:

a. Set forth with specificity the written interrogatories to be answered; and

b. Prescribe dates at which time answers to written interrogatories shall be submitted.

8. Each interrogatory in an investigative demand served under this section shall be answered separately and fully in writing under oath and shall be submitted under a sworn certificate, in such form as the demand designates, by:

a. In the case of a natural person, the person to whom the demand is directed, or

b. In the case of a person other than a natural person, the person or persons responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection shall be stated in the certificate instead of an answer. The certificate shall state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any information is not furnished, the information shall be identified and reasons set forth with particularity explaining why the information was not furnished.

10. If such demand is for the giving of oral testimony, the demand shall:

#1
p 14

a. Prescribe a date, time, and place at which oral testimony shall be commenced;

b. Specify that such attendance and testimony are necessary to the conduct of the investigation;

c. Notify the person receiving the demand of the right to be accompanied by an attorney; and

d. Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

The examination of any person pursuant to an investigative demand for oral testimony served under this section shall be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if such material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If any person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing thereon, request an order requiring compliance. If the attorney general prevails in a proceeding pursuant to this section, the court may assess the non-prevailing person for all hearing costs, including reasonable attorney's fees.

Medicaid fraud – criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

b. Solicits, accepts, offers, or provides any remuneration, including but not limited to a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made

#1
P13

under the medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the medicaid program;

c. Makes, offers, or accepts a remuneration, a rebate of a fee, or a charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the medicaid program; or

d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the medicaid program.

2. Any conduct or activity that does not violate or that is protected under the provisions of, or federal regulations adopted under, 42 U.S.C. 1395nn or 42 U.S.C. 1320a-7b(b), as may be amended, is not considered an offense under subsection (1)(b), and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services or claims not exceeding $1000 in value is guilty of a Class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this Act is a Class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this Act is a Class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this Act is a class A felony.

a. For purposes of imposing sentence for a conviction under this Act, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, services involved is the

greater of the value of medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

b. Amounts involved in medicaid fraud committed pursuant to a common scheme or the same transaction may be aggregated in determining the value involved.

c. A person convicted of the offense of medicaid fraud must be suspended from participation in the medicaid program:

(1) For any period of time not less than one year for a first offense or the person may be permanently terminated from participation in the medical assistance program;

(2) For any period of time not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

(3) Permanently for a third offense.

8. In addition to any other penalty provided by law, a person convicted of medicaid fraud is not entitled to bill or collect from the recipient, the medicaid program, or any other third-party payer for the services or items involved and shall repay to the medicaid program any payments or benefits obtained by any person for the services or items involved.

Cooperation of governmental agencies with medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

4-4-17 HB1003 subcommittee #1 p1

17.0488.02005
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Senator Kilzer
March 31, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, after the semicolon insert "to authorize transfers; to authorize fees;"

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to provide legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	$83,714,313	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000
Uniform crime reporting rewrite	0	280,000

DOS based deposit system rewrite	0	100,000
Total all funds	$3,936,157	$695,000
Total special funds	653,333	315,000
Total general fund	$3,282,824	$380,000

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.

#1 p2

SECTION 4. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section."

Page 2, after line 24, insert:

"**SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL.** As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"**SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS.** 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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 8 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.

#1
P3

SECTION 10. LEGISLATIVE INTENT - COST SHARING PROGRAM. It is the intent of the sixty-fifth legislative assembly that the funding for the political subdivisions 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~~must, 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~~must, 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~~must 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~~must 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 defined in section 12.1-34-01.

#1 P4

SECTION 12. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

"SECTION 15. 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 16. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$40,503,865	$40,267,284	$977,482	$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372
Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000
SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Total all funds	$83,714,313	$74,730,548	$2,198,612	$76,929,160
Less estimated income	35,247,452	30,730,548	810,772	31,541,320
General fund	$48,466,861	$44,000,000	$1,387,840	$45,387,840
FTE	250.00	231.00	6.00	237.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 5 FTE Positions[2]	Adds 1 FTE Identification Technician Position[3]	Adds One-Time Funding for Uniform Crime Reporting Rewrite[4]	Adds One-Time Funding for Deposit System Rewrite[5]	Adds One-Time Funding for the SAVIN Cost Share Program[6]
Salaries and wages	($43,964)	$890,000	$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						

Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Total all funds	($50,388)	$890,000	$164,000	$280,000	$100,000	$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	($46,160)	$890,000	$164,000	$280,000	$100,000	$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program[7]	**Total Senate Changes**
Salaries and wages		$977,482
Operating expenses		412,554
Capital assets		
Grants		
Litigation fees		
Intellectual property attorney		(207)
Abortion litigation fees		
Medical examinations		
North Dakota lottery		(1,970)
Arrest and return of fugitives		
Gaming commission		
Criminal justice information sharing		(1,037)
Law enforcement		(3,210)
Additional income appropriation		
SAVIN cost share program		315,000
Contingent funding for the SAVIN program	500,000	500,000
Total all funds	$500,000	$2,198,612
Less estimated income	500,000	810,772
General fund	$0	$1,387,840
FTE	0.00	6.00

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

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

[3] Adds 1 FTE identification technician position ($131,446) and related operating expenses ($32,554).

[4] One-time funding of $280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

[5] One-time funding of $100,000 from the general fund is added for a DOS based deposit system rewrite.

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

[7] Contingent funding of $500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of $500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, $500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds an emergency clause regarding the SAVIN program enhancements.

17.0488.02005

Sixty-fifth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1003

4-4-17
HB 1003
Subcommittee
#2
P1

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to provide a contingent appropriation to the attorney general; 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 exemptions; to authorize transfers; to authorize fees; and to provide a report to the office of management and budget and the legislative council; to provide 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 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:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$40,503,865~~	~~($236,581)~~	~~$40,267,284~~
~~Operating expenses~~	~~24,672,585~~	~~(8,527,581)~~	~~16,145,004~~
Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558
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~~	~~8,808~~	~~427,131~~
Intellectual property attorney	418,323	8,601	426,924
Abortion litigation fees	400,000	(400,000)	0

#2
p 2

Medical examinations	660,000	0	660,000
~~North Dakota lottery~~	~~5,282,778~~	~~55,989~~	~~5,338,767~~
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~~	~~(764,019)~~	~~3,387,682~~
~~Law enforcement~~	~~3,455,725~~	~~(550,907)~~	~~2,904,818~~
~~Total all funds~~	~~$83,714,313~~	~~($9,233,765)~~	~~$74,480,548~~
~~Less estimated income~~	~~35,247,452~~	~~(4,766,904)~~	~~30,480,548~~
~~Total general fund~~	~~$48,466,861~~	~~($4,466,861)~~	~~$44,000,000~~
~~Full-time equivalent positions~~	~~250.00~~	~~(19.00)~~	~~231.00~~
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	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
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 ~~$695,462~~$645,074, of which ~~$637,105~~$590,945 is from the general fund, for increases in employee health insurance premiums from $1,130 to ~~$1,249~~$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:

One-Time Funding Description	2015-17	2017-19
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

#2
P3

Targeted equity - bureau of criminal investigation	1,276,301	0
~~Targeted equity - gaming~~	~~270,000~~	~~0~~
~~Total all funds~~	~~$3,936,157~~	~~$0~~
~~Total special funds~~	~~653,333~~	~~0~~
~~Total general fund~~	~~$3,282,824~~	~~$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	653,333	315,000
Total general fund	$3,282,824	$380,000

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. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section.

SECTION 5. 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 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL. As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the

#2
P4

protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019.

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. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS. 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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

#2 p5

addition to the amounts appropriated in section 8 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 subdivisions 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~~must, 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~~must, 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~~must determine the amount of the fee to be assessed in all cases or it may authorize the district or municipal judge to

#2 p6

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~~must 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 defined in section 12.1-34-01.

SECTION 12. 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 13. 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.

#2 pm

SECTION 14. 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 15. 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 16. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure.

4-4-17 HB 1003
Subcommittee
#2
P1

17.0488.02004
Title.

Prepared by the Legislative Council staff for
Senator Kilzer

April 3, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, replace "and" with "to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud unit;"

Page 1, line 3, after "council" insert "; to provide a penalty; and to provide a contingent effective date"

Page 3, after line 12, insert:

"**SECTION 8.** Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.

3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:

   (1) Presented to an officer, employee, or agent of the state; or

   (2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:

      (a) Provides or has provided any portion of the money or property requested or demanded; or

      (b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.

   b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

#3
P2

6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.

7. "Knowingly" or "knowing" require no proof of specific intent to defraud and mean a person has actual knowledge of the information and acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.

9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.

13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.

14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.

15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.

16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid. #3 P3

17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

    a. Pertaining to the provision of treatment, care, services, or items to a recipient;

    b. Pertaining to the income and expenses of the provider; or

    c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

    a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

    b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

    c. Conspires to commit a violation of this subsection;

    d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

    e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or

    f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. In a civil action brought under this section, a court shall assess a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, and no less than twice and no more than three times the amount of damages the state sustains because of the person's act. However, the court may assess no less than twice the amount of damages which the state sustains because of the act of the person and the person is liable to the state for the costs of the civil action brought to recover any such penalty or damages if the court finds the following:

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P4

a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;

b. The person fully cooperated with the investigation of the act by the attorney general; and

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:

   a. Six years after the date on which the violation was committed; or

   b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought pursuant to subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.

#3 p5

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:

   a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

   b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

   a. Limiting the number of witnesses the person may call;

   b. Limiting the length of testimony of witnesses called by the person;

   c. Limiting the person's cross-examination of witnesses; and

   d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

#3 p6.

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to

be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information and the role of the person bringing the action in advancing the case to litigation.

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3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

#3 p8

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were coplaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent,or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The

Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the Medicaid fraud control unit must be appropriated from the state general fund.

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P9

54-12.1-15. Powers and duties of Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:

   a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

   b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

   c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

   d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

   e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and

   f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.

2. The Medicaid fraud control unit may:

   a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

   b. Upon request, obtain information and records from applicants, recipients, and providers;

   c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and

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p10

recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:

   a. Produce the documentary material for inspection and copying;

   b. Answer in writing written interrogatories with respect to the documentary material or information;

   c. Be examined under oath concerning the documentary material or information; and

   d. Furnish any combination of the material, answers, or testimony.

2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

4. If the demand is for the production of documentary material, the demand must:

   a. Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and

   b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is

directed has been produced and made available to the agent identified in the demand, by:

#3 p 11

a. In the case of an individual, the individual to whom the demand is directed; or

b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.

6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the material available for inspection and copying to the agent identified in the demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.

7. If the demand is for answers to written interrogatories, the demand shall:

a. Set forth with specificity the written interrogatories to be answered; and

b. Prescribe dates at which time answers to written interrogatories must be submitted.

8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:

a. In the case of an individual, the individual to whom the demand is directed; or

b. In the case of a person other than an individual, the person responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:

(1) Prescribe a date, time, and place at which oral testimony must be commenced;

(2) Specify that attendance and testimony are necessary to the conduct of the investigation;

(3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and

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P12

(4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.

11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;

c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the Medicaid program.

2. Any conduct or activity that does not violate or that is protected under this chapter or federal regulations [42 U.S.C. 1395nn; 42 U.S.C. 1320a-7b(b)] is not considered an offense under subdivision b of subsection 1, and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

#3 p13

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims not exceeding one thousand dollars in value is guilty of a class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this chapter is a class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this chapter is a class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this chapter is a class A felony.

8. For purposes of imposing a sentence for a conviction under this chapter, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, or services involved is the greater of the value of Medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

9. Amounts involved in Medicaid fraud committed under a common scheme or the same transaction may be aggregated in determining the value involved.

10. A person convicted of the offense of Medicaid fraud must be suspended from participation in the Medicaid program:

    a. For not less than one year for a first offense, or the person may be permanently terminated from participation in the medical assistance program;

    b. For not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

    c. Permanently for a third offense.

#3
p 14

11. In addition to any other penalty provided by law, a person convicted of Medicaid fraud is not entitled to bill or collect from the recipient, the Medicaid program, or any other third-party payer for the services or items involved and shall repay to the Medicaid program any payments or benefits obtained by any person for the services or items involved.

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 9. APPROPRIATION - MEDICAID FRAUD UNIT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $156,160, or so much of the sum as may be necessary, and $1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud unit, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the Medicaid fraud unit, the attorney general is authorized two assistant attorneys general full-time equivalent positions, two investigators full-time equivalent positions, one auditor full-time equivalent position, and one administrative assistant full-time equivalent position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud unit.

SECTION 10. CONTINGENT EFFECTIVE DATE. Sections 8 and 9 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state has been reduced as a direct result of the state not being granted a waiver relating to a Medicaid fraud unit."

Renumber accordingly

4-4-17 Subcommittee HB 1003

#4
p1

SECTION 10. CONTINGENT EFFECTIVE DATE. Sections 8 and 9 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the sixty-sixth legislative assembly as a direct result of the state not having a Medicaid fraud control unit.

4-5-17 HB 1003

17.0488.02006
Title.
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Kilzer
April 4, 2017

Subcommittee #1

p1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 1, after "Act" insert "to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit;"

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

Page 1, line 2, after the semicolon insert "to authorize transfers; to authorize fees;"

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to provide a penalty; to provide legislative intent; to provide a contingent effective date; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	$40,503,865	$740,901	$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"

Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	$83,714,313	($7,535,153)	$76,179,160
Less estimated income	35,247,452	(4,456,132)	30,791,320
Total general fund	$48,466,861	($3,079,021)	$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

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

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

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

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

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

Page 2, replace lines 16 through 19 with:

#1 p2

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000
Uniform crime reporting rewrite	0	280,000
DOS based deposit system rewrite	0	100,000
Total all funds	$3,936,157	$695,000
Total special funds	653,333	315,000
Total general fund	$3,282,824	$380,000

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

Page 2, after line 19, insert:

"**SECTION 4. LINE ITEM TRANSFER AUTHORIZATION.** The attorney general may transfer appropriation authority between line items in section 1 of this Act 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 transfers made pursuant to this section.

Page 2, after line 31, insert:

"**SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL.** As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"**SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS.** 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, there is appropriated out of any moneys in the oil and gas impact grant 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 attorney general 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

#1
P3

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 8 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 subdivisions 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~~must, 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~~must, 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~~must 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~~must 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:

#1
p4

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 defined in section 12.1-34-01.

SECTION 12. Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.

2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.

3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:

   (1) Presented to an officer, employee, or agent of the state; or

   (2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:

      (a) Provides or has provided any portion of the money or property requested or demanded; or

      (b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.

   b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.

4. "Department" means the department of human services.

5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.

6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.

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P5

7. "Knowingly" or "knowing" require no proof of specific intent to defraud and mean a person has actual knowledge of the information and acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.

8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.

9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.

10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.

13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.

14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.

15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.

16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid.

17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:

a. Pertaining to the provision of treatment, care, services, or items to a recipient;

b. Pertaining to the income and expenses of the provider; or

c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:

   a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;

   b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;

   c. Conspires to commit a violation of this subsection;

   d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;

   e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or

   f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. In a civil action brought under this section, a court shall assess a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, and no less than twice and no more than three times the amount of damages the state sustains because of the person's act. However, the court may assess no less than twice the amount of damages which the state sustains because of the act of the person and the person is liable to the state for the costs of the civil action brought to recover any such penalty or damages if the court finds the following:

   a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;

   b. The person fully cooperated with the investigation of the act by the attorney general; and

c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.

#1 p1

3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.

4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:

   a. Six years after the date on which the violation was committed; or

   b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.

2. An action may not be brought pursuant to subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.

2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.

#1 p8

3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.

4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.

5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.

6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:

   a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or

   b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.

7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.

8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:

   a. Limiting the number of witnesses the person may call;

   b. Limiting the length of testimony of witnesses called by the person;

   c. Limiting the person's cross-examination of witnesses; and

   d. Otherwise limiting the participation of the person in the litigation.

9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with

reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.

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P9

10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.

2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the information

and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.

4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.

5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.

6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.

7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's

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P11

fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were coplaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent,or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.

2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.

3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the medicaid Medicaid fraud control unit must be appropriated from the state general fund.

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p12

54-12.1-15. Powers and duties of medicaid Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:

   a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;

   b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;

   c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;

   d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

   e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and

   f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.

2. The Medicaid fraud control unit may:

   a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;

   b. Upon request, obtain information and records from applicants, recipients, and providers;

   c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;

   d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and

e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:

   a. Produce the documentary material for inspection and copying;

   b. Answer in writing written interrogatories with respect to the documentary material or information;

   c. Be examined under oath concerning the documentary material or information; and

   d. Furnish any combination of the material, answers, or testimony.

2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.

4. If the demand is for the production of documentary material, the demand must:

   a Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and

   b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.

5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is directed has been produced and made available to the agent identified in the demand, by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.

#1 p14

6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the material available for inspection and copying to the agent identified in the demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.

7. If the demand is for answers to written interrogatories, the demand shall:

   a. Set forth with specificity the written interrogatories to be answered; and

   b. Prescribe dates at which time answers to written interrogatories must be submitted.

8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:

   a. In the case of an individual, the individual to whom the demand is directed; or

   b. In the case of a person other than an individual, the person responsible for answering each interrogatory.

9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:

      (1) Prescribe a date, time, and place at which oral testimony must be commenced;

      (2) Specify that attendance and testimony are necessary to the conduct of the investigation;

      (3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and

      (4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

   b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is

held. The oath may be in writing and the agent shall record the testimony of the witness.

#1
p 15

11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.

12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:

   a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;

   b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;

   c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

   d. Fails or refuses to provide covered medically necessary services to eligible recipients as required with respect to a managed care contract, health maintenance organization contract, or similar contract or subcontract under the Medicaid program.

2. Any conduct or activity that does not violate or that is protected under this chapter or federal regulations [42 U.S.C. 1395nn; 42 U.S.C. 1320a-7b(b)] is not considered an offense under subdivision b of subsection 1, and the conduct or activity must be accorded the same protections allowed under federal laws and regulations.

3. In a prosecution for a violation of this section, it is a defense if the person acted in reliance upon the written authorization or advice of the department.

#1
P16

4. A person convicted of this offense involving payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims not exceeding one thousand dollars in value is guilty of a class A misdemeanor.

5. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed one thousand dollars in value, a violation of this chapter is a class C felony.

6. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed ten thousand dollars in value but do not exceed fifty thousand dollars, a violation of this chapter is a class B felony.

7. Notwithstanding subsection 4, if the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or claims of the Medicaid fraud were part of a common scheme and exceed fifty thousand dollars in value, a violation of this chapter is a class A felony.

8. For purposes of imposing a sentence for a conviction under this chapter, the value of payments, benefits, kickbacks, bribes, rebates, remuneration, or services involved is the greater of the value of Medicaid payments or benefits received as a result of the illegal conduct or activity or the value of the payments, benefits, kickbacks, bribes, rebates, remuneration, services, or charge involved.

9. Amounts involved in Medicaid fraud committed under a common scheme or the same transaction may be aggregated in determining the value involved.

10. A person convicted of the offense of Medicaid fraud must be suspended from participation in the Medicaid program:

    a. For not less than one year for a first offense, or the person may be permanently terminated from participation in the medical assistance program;

    b. For not less than three years for a second offense, or the person may be permanently terminated from participation in the medical assistance program; or

    c. Permanently for a third offense.

11. In addition to any other penalty provided by law, a person convicted of Medicaid fraud is not entitled to bill or collect from the recipient, the Medicaid program, or any other third-party payer for the services or items involved and shall repay to the Medicaid program any payments or benefits obtained by any person for the services or items involved.

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

#1
P17

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 13. APPROPRIATION - MEDICAID FRAUD CONTROL UNIT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $156,160, or so much of the sum as may be necessary, and $1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud control unit, for the biennium beginning with the effective date of this Act and ending June 30, 2019. For the Medicaid fraud control unit, the attorney general is authorized two full-time equivalent assistant attorneys general positions, two full-time equivalent investigators positions, one full-time equivalent auditor position, and one full-time equivalent administrative assistant position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud control unit.

SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

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

SECTION 18. CONTINGENT EFFECTIVE DATE. Sections 12 and 13 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the sixty-sixth legislative assembly as a direct result of the state not being granted a waiver relating to a Medicaid fraud control unit.

SECTION 19. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$40,503,865	$40,267,284	$977,482	$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372

#1
P18

Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000
SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Contingent Medicaid Fraud Control Unit			1,561,604	1,561,604
Total all funds	$83,714,313	$74,730,548	$3,760,216	$78,490,764
Less estimated income	35,247,452	30,730,548	2,216,216	32,946,764
General fund	$48,466,861	$44,000,000	$1,544,000	$45,544,000
FTE	250.00	231.00	12.00	243.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 5 FTE Positions[2]	Adds 1 FTE Identification Technician Position[3]	Adds One-Time Funding for Uniform Crime Reporting Rewrite[4]	Adds One-Time Funding for Deposit System Rewrite[5]	Adds One-Time Funding for the SAVIN Cost Share Program[6]
Salaries and wages	($43,964)	$890,000	$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Contingent Medicaid Fraud Control Unit						
Total all funds	($50,388)	$890,000	$164,000	$280,000	$100,000	$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	($46,160)	$890,000	$164,000	$280,000	$100,000	$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program[7]	Contingent Medicaid Fraud Control Unit[8]	Total Senate Changes
Salaries and wages			$977,482
Operating expenses			412,554
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			

Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			
Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program			315,000
Contingent funding for the SAVIN program	500,000		500,000
Contingent Medicaid Fraud Control Unit		1,561,604	1,561,604
Total all funds	$500,000	$1,561,604	$3,760,216
Less estimated income	500,000	1,405,444	2,216,216
General fund	$0	$156,160	$1,544,000
FTE	0.00	6.00	12.00

#1
p19

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

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

[3] Adds 1 FTE identification technician position ($131,446) and related operating expenses ($32,554).

[4] One-time funding of $280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

[5] One-time funding of $100,000 from the general fund is added for a DOS based deposit system rewrite.

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

[7] Contingent funding of $500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of $500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, $500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

[8] Contingent funding of $1,561,604 is added from the general fund ($156,160) and federal funds ($1,405,444) and authorizes 6 FTE positions (2 FTE assistant attorneys general positions, 2 FTE investigators positions, 1 FTE administrative assistant position, and 1 FTE auditor position) for the creation of a Medicaid Fraud Control Unit. The creation of the unit is contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.

#1
p20

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to $500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate $315,000 of the cost among the political subdivisions of the state.
- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated $164,000 of general fund revenue for the 2017-19 biennium.
- Adds a section exempting $100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds three sections relating to the contingent creation of a Medicaid Fraud Control Unit. The sections provide for the creation of Chapter 54-12.1 and appropriates $1,561,604 from the general fund ($156,160) and federal funds ($1,405,444), along with the authorization of 6 FTE positions, contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.
- Adds an emergency clause regarding the SAVIN program enhancements.

April 11, 2017 HB1003 Attachment A

Attorney General - Budget No. 125
House Bill No. 1003
Base Level Funding Changes

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313	0.00	$0	$0	$0
2017-19 Ongoing Funding Changes												
Base payroll changes		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085				$0
Health insurance increase		637,105	58,357	695,462		590,945	54,129	645,074		(46,160)	(4,228)	(50,388)
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)				0
Changes funding source for 8 FTE positions		(1,120,322)	1,120,322	0		(1,120,322)	1,120,322	0				0
Removes 3 additional FTE positions	(3.00)	(134,000)		(134,000)	(3.00)	(134,000)		(134,000)				0
Restores 4 FTE criminal investigator positions				0	4.00	720,000		720,000	4.00	720,000		720,000
Restores 1 FTE forensic scientist position				0	1.00	170,000		170,000	1.00	170,000		170,000
Restores 1 FTE identification technician position				0	1.00	131,446		131,446	1.00	131,446		131,446
Underfunds salaries and wages		(929,297)		(929,297)		(929,297)		(929,297)				0
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)				0
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)				0
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)				0
Reduces funding for law enforcement		(219,348)		(219,348)		(219,348)		(219,348)				0
Increases federal funds spending authority			228,897	228,897			228,897	228,897				0
Adds funding for IT disaster recovery system		46,703		46,703		46,703		46,703				0
Removes funding for abortion litigation fees		(400,000)		(400,000)		(400,000)		(400,000)				0
Increases funding for litigation fees		100,000		100,000		100,000		100,000				0
Increases funding for Indian gaming audit expenses			37,500	37,500			37,500	37,500				0
Adds funding for equipment		(194,388)	606,882	412,494		(194,388)	606,882	412,494				0
Increases funding for the State Crime Lab bond payments		529		529		529		529				0
Reduces operating expenses		(891,689)	21,874	(869,815)		(859,135)	21,874	(837,261)		32,554		32,554
Total ongoing funding changes	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,459,021)	($4,771,132)	($8,230,153)	6.00	$1,007,840	($4,228)	$1,003,612
One-time funding items												
Adds funding for the uniform crime reporting rewrite				$0		$280,000		$280,000		$280,000		$280,000
Adds funding for DOS based deposit system rewrite				0		100,000		100,000		100,000		100,000
Adds spending authority for cost share program				0			315,000	315,000			315,000	315,000
Total one-time funding changes	0.00	$0	$0	$0	0.00	$380,000	$315,000	$695,000	0.00	$380,000	$315,000	$695,000
Total Changes to Base Level Funding	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,079,021)	($4,456,132)	($7,535,153)	6.00	$1,387,840	$310,772	$1,698,612
2017-19 Total Funding	231.00	$44,000,000	$30,480,548	$74,480,548	237.00	$45,387,840	$30,791,320	$76,179,160	6.00	$1,387,840	$310,772	$1,698,612

Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version
Health insurance increase	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Line item transfer authorization		Section 4 authorizes the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
Tobacco settlement trust fund	Section 4 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 5 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.
Industrial Commission litigation funds - Grant to Attorney General		Section 6 requires the Industrial Commission to provide a grant from funds appropriated to the commission for litigation expenses as requested by the Attorney General for litigation-related expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline Project.
Appropriation - Additional federal funds or other funds	Section 5 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.	Section 7 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.
Contingent appropriation - Funding for statewide automated victim information and notification program enhancements		Section 8 authorizes the Attorney General to use $500,000 from rent savings for enhancing the statewide automated victim information and notification program (SAVIN) and provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if rent savings are not realized during the 2017-19 biennium.
Statewide automated victim information and notification program enhancements - Cost sharing program - Estimated income		Section 9 and 10 authorizes the Attorney General to establish a cost-sharing program for the SAVIN system and appropriates $315,000 of other funds received from payments from political subdivisions for the cost-sharing program. Section 11 amends Section 27-01-10 related to fee assessments for funding crime victim and wintess programs, to require that a fee be charged.
Medicaid fraud Act - Medicaid Fraud Control Unit - Appropriation - Contigent effective date		Section 12 creates a Medicaid fraud Act. Section 13 appropriates $156,160 from the general fund and $1,405,444 from federal funds for a Medicaid fraud control unit and authorizes 6 FTE positions for the unit. Section 18 provides that Sections 12 and 13 are effective on the date the executive director of the Department of Human Services certifies that federal medical assistance funding available to the state will be reduced as a result of the state not being granted a waiver relating to a Medicaid Fraud Control Unit.

Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version
Criminal history record checks - Fees		Section 14 authorizes the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record check's conduct by the Bureau of Criminal Investigation, as a result of legislation enacted by the Sixty-Fifth Legislative Assembly. The fees are to be deposited in the general fund.
Exemption - Strategic investment and improvements fund	Section 6 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.	Section 15 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.
Continuing appropriations	Section 7 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 16 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.
Exemption - Additional funding for litigation fees		Section 17 provides an exemption for $100,000 of funding appropriated during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 beinnium in the Attorney General's litigation fees line.
Emergency		Section 19 declares sections 8 and 9 to be an emergency.

April 11, 2017 HB 1003 Attachment B

17.0488.02008
Title.

Prepared by the Legislative Council staff for
Representative Brandenburg
April 7, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the House accede to the Senate amendments as printed on page 1492-1509 of the House Journal and page 1231-1248 of the Senate Journal and that House Bill No. 1003 be further amended as follows:

Page 3, after line 9, insert:

"**SECTION 16. LEGISLATIVE INTENT - ACQUISITION OF FEDERAL LANDS.** For the purpose of acquiring excess lands for the state as reimbursement by the federal government for the costs the state incurred from responding to protest activity connected to the Dakota access pipeline, the attorney general shall consider pursuing litigation against federal agencies that own excess lands in the state. For purposes of this section, "excess lands" means lands the federal government acquired for the Pick-Sloan Missouri basin project dams which are no longer needed for the purpose for which they were acquired."

HB 1003 April 11, 2017 Attachment

17.0488.02007
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
April 7, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, after "exemptions" insert "; to grant powers to the attorney general"

Page 3, after line 12, insert:

"**SECTION 8. DAKOTA ACCESS PIPELINE DEBT - ATTORNEY GENERAL.** During the 2017-19 biennium, the attorney general may file a lien against any federal real property in the state, excluding tribal lands, for the purpose of ensuring the federal government repay the state of North Dakota for expenses incurred by the state and by agents of the state as a result of enforcing laws and ensuring the health and safety of North Dakotans due to Dakota access pipeline protests."

Renumber accordingly

April 11, 2017 H/B1003 Attachment 1

17.0488.02009
Title.

Prepared by the Legislative Council staff for
Senator Nelson
April 11, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; and 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"

Page 3, after line 12, insert:

"**SECTION 8.** 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."

Renumber accordingly

April 13, 2017 HB1003 Attachment A

REDUCED/NO FEE RECORD CHECKS for 2016

		# of Record Checks	Amt Reduced per statute	Amt Reduced
No Fee Record Checks - State or Federal (per NDCC § 12-60-16.9)				
Law Enforcement		2,188		
CJIS		955		
	Total	**3,143**		
Reduced Fee Record Checks - State (per NDCC § 12-60-16.9)				
Non-Profit - $5		22		
No Fee Record Checks (State fee is $15, but they pay $0)				
DHS-Early Childhood Services (per NDCC § 50-11.1-06.2)		5,986	$89,790	
DHS-Licensed Child Placing Agency (per NDCC 50-12-03.2(3))		137	$2,055	
DHS-Human Resources		628		$9,420
	Total	**6,751**		
Reduced Federal (No BCI Processing Fee -$15)				
DHS-Early Childhood Services (per NDCC § 50-11.1-06.2)		6,038	$90,570	
DHS-Licensed Child Placing Agency (per NDCC 50-12-03.2(3))		136	$2,040	
DHS-Human Resources		523		$7,845
	Total	**6,697**	$184,455	$17,265

Full State Fee - $15
Full Federal Fee - $10 FBI + $15 BCI Processing

April 17, 2017 HB1003 Attachment A

17.0488.02007
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
April 7, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

Page 1, line 2, after "exemptions" insert "; to grant powers to the attorney general"

Page 3, after line 12, insert:

"**SECTION 8. DAKOTA ACCESS PIPELINE DEBT - ATTORNEY GENERAL.** During the 2017-19 biennium, the attorney general may file a lien against any federal real property in the state, excluding tribal lands, for the purpose of ensuring the federal government repay the state of North Dakota for expenses incurred by the state and by agents of the state as a result of enforcing laws and ensuring the health and safety of North Dakotans due to Dakota access pipeline protests."

Renumber accordingly

April 17, 2017 HB 1003 Attachment B

17.0488.02010
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
April 11, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; and to provide legislative intent"

Page 3, after line 12, insert:

"**SECTION 8. LEGISLATIVE INTENT - ATTORNEY GENERAL ACTION AGAINST DEPARTMENT OF JUSTICE.** The attorney general shall consider initiating a legal proceeding against the United States department of justice for dereliction of duty for failing to respond to the protest activity concerning the Dakota access pipeline. Any damages or settlement amount collected as a result of the legal proceedings must be used to reimburse the state of North Dakota for costs incurred from responding to the protest activity."

Renumber accordingly

April 17, 2017 HB1003 Attachment C

17.0488.02011
Title.

Prepared by the Legislative Council staff for
Representative Kempenich
April 11, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

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

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; and to provide legislative intent"

Page 3, after line 12, insert:

"**SECTION 8. LEGISLATIVE INTENT - WITHHOLDING FUNDS FROM FEDERAL GOVERNMENT.** The board of university and school lands shall consider withholding any funds that otherwise would be paid to the federal government under Senate Bill No. 2134 up to the amount the state has incurred from its response to the protest activity concerning the Dakota access pipeline."

Renumber accordingly

April 17, 2017 HB1003 Attachment 5

17.0488.02008
Title.

Prepared by the Legislative Council staff for
Representative Brandenburg
April 7, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1003

That the House accede to the Senate amendments as printed on page 1492-1509 of the House Journal and page 1231-1248 of the Senate Journal and that House Bill No. 1003 be further amended as follows:

Page 3, after line 9, insert:

"**SECTION 16. LEGISLATIVE INTENT - ACQUISITION OF FEDERAL LANDS.** For the purpose of acquiring excess lands for the state as reimbursement by the federal government for the costs the state incurred from responding to protest activity connected to the Dakota access pipeline, the attorney general shall consider pursuing litigation against federal agencies that own excess lands in the state. For purposes of this section, "excess lands" means lands the federal government acquired for the Pick-Sloan Missouri basin project dams which are no longer needed for the purpose for which they were acquired."

April 19, 2017 HB1003 Attachment A

Attorney General - Budget No. 125
House Bill No. 1003
Base Level Funding Changes

	House Version				Senate Version				Conference Committee Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313
2017-19 Ongoing Funding Changes												
Base payroll changes		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085
Health insurance increase		637,105	58,357	695,462		590,945	54,129	645,074		590,945	54,129	645,074
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)
Changes funding source for 8 FTE positions		(1,120,322)	1,120,322	0		(1,120,322)	1,120,322	0		(1,120,322)	1,120,322	0
Removes 3 additional FTE positions	(3.00)	(134,000)		(134,000)	(3.00)	(134,000)		(134,000)	(3.00)	(134,000)		(134,000)
Restores 4 FTE criminal investigator positions				0	4.00	720,000		720,000	4.00	720,000		720,000
Restores 1 FTE forensic scientist position				0	1.00	170,000		170,000	1.00	170,000		170,000
Restores 1 FTE identification technician position				0	1.00	131,446		131,446	1.00	65,723		65,723
Underfunds salaries and wages		(929,297)		(929,297)		(929,297)		(929,297)		(929,297)		(929,297)
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)
Reduces funding for law enforcement		(219,348)		(219,348)		(219,348)		(219,348)		(219,348)		(219,348)
Increases federal funds spending authority			228,897	228,897			228,897	228,897			228,897	228,897
Adds funding for IT disaster recovery system		46,703		46,703		46,703		46,703		46,703		46,703
Removes funding for abortion litigation fees		(400,000)		(400,000)		(400,000)		(400,000)		(400,000)		(400,000)
Increases funding for litigation fees		100,000		100,000		100,000		100,000		100,000		100,000
Increases funding for Indian gaming audit expenses			37,500	37,500			37,500	37,500			37,500	37,500
Adds funding for equipment		(194,388)	606,882	412,494		(194,388)	606,882	412,494		(194,388)	606,882	412,494
Increases funding for the State Crime Lab bond payments		529		529		529		529		529		529
Reduces operating expenses		(891,689)	21,874	(869,815)		(859,135)	21,874	(837,261)		(1,230,412)	192,874	(1,037,538)
Total ongoing funding changes	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,459,021)	($4,771,132)	($8,230,153)	(13.00)	($3,896,021)	($4,600,132)	($8,496,153)
One-time funding items												
Adds funding for the uniform crime reporting rewrite				$0		$280,000		$280,000			$280,000	$280,000
Adds funding for DOS based deposit system rewrite				0		100,000		100,000		100,000		100,000
Adds spending authority for cost share program				0			315,000	315,000			315,000	315,000
Total one-time funding changes	0.00	$0	$0	$0	0.00	$380,000	$315,000	$695,000	0.00	$100,000	$595,000	$695,000
Total Changes to Base Level Funding	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,079,021)	($4,456,132)	($7,535,153)	(13.00)	($3,796,021)	($4,005,132)	($7,801,153)
2017-19 Total Funding	231.00	$44,000,000	$30,480,548	$74,480,548	237.00	$45,387,840	$30,791,320	$76,179,160	237.00	$44,670,840	$31,242,320	$75,913,160

Other Sections in Attorney General - Budget No. 125

Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version	Conference Committee Version
Health insurance increase	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Line item transfer authorization		Section 4 authorizes the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.	Section 4 authorizes the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
Tobacco settlement trust fund	Section 4 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 5 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 5 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.
Industrial Commission litigation funds - Grant to Attorney General		Section 6 requires the Industrial Commission to provide a grant from funds appropriated to the commission for litigation expenses as requested by the Attorney General for litigation-related expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline Project.	Section 6 requires the Industrial Commission to provide a grant from funds appropriated to the commission for litigation expenses as requested by the Attorney General for litigation-related expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline Project.
Legislative intent			Section 7 provides legislative intent for the Attorney General to pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result the protests and related activities associated with the Dakota Access Pipeline Project.
Appropriation - Additional federal funds or other funds	Section 5 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.	Section 7 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.	Section 8 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.
Contingent appropriation - Funding for statewide automated victim information and notification program enhancements		Section 8 authorizes the Attorney General to use $500,000 from rent savings for enhancing the statewide automated victim information and notification program (SAVIN) and provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if rent savings are not realized during the 2017-19 biennium.	Section 9 authorizes the Attorney General to use $500,000 from rent savings for enhancing the statewide automated victim information and notification program (SAVIN) and provides a contingent allocation of $500,000 from the oil and gas impact grant fund, from funds previously appropriated in subsection 3 of section 5 of chapter 463 of the 2015 Session Laws for grants to law enforcement agencies, if rent savings are not realized during the 2017-19 biennium.
Statewide automated victim information and notification program enhancements - Cost sharing program - Estimated income		Section 9 and 10 authorizes the Attorney General to establish a cost-sharing program for the SAVIN system and appropriates $315,000 of other funds received from payments from political subdivisions for the cost-sharing program. Section 11 amends Section 27-01-10 related to fee assessments for funding crime victim and wintess programs, to require that a fee be charged.	Section 10 and 11 authorizes the Attorney General to establish a cost-sharing program for the SAVIN system and appropriates $315,000 of other funds received from payments from political subdivisions for the cost-sharing program. Section 12 amends Section 27-01-10 related to fee assessments for funding crime victim and wintess programs, to require that a fee be charged.

Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version	Conference Committee Version
Medicaid fraud Act - Medicaid Fraud Control Unit - Appropriation - Contigent effective date		Section 12 creates a Medicaid fraud Act. Section 13 appropriates $156,160 from the general fund and $1,405,444 from federal funds for a Medicaid fraud control unit and authorizes 6 FTE positions for the unit. Section 18 provides that Sections 12 and 13 are effective on the date the executive director of the Department of Human Services certifies that federal medical assistance funding available to the state will be reduced as a result of the state not being granted a waiver relating to a Medicaid Fraud Control Unit.	
Criminal history record checks - Fees		Section 14 authorizes the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record check's conduct by the Bureau of Criminal Investigation, as a result of legislation enacted by the Sixty-Fifth Legislative Assembly. The fees are to be deposited in the general fund.	Section 13 authorizes the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record check's conduct by the Bureau of Criminal Investigation, as a result of legislation enacted by the Sixty-Fifth Legislative Assembly. The fees are to be deposited in the general fund.
Exemption - Strategic investment and improvements fund and human trafficking grants	Section 6 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.	Section 15 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.	Section 14 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium. Provides an exemption for funding appropriated for human trafficking grants provided for the 2015-17 biennium.
Continuing appropriations	Section 7 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 16 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 15 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.
Exemption - Additional funding for litigation fees		Section 17 provides an exemption for $100,000 of funding appropriated during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 beinnium in the Attorney General's litigation fees line.	Section 16 provides an exemption for $100,000 of funding appropriated during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 beinnium in the Attorney General's litigation fees line.
Emergency		Section 19 declares sections 8 and 9 to be an emergency.	Section 17 declares sections 9 and 10 to be an emergency.

April 19, 2017 HB1003 Attachment B

Engrossed House Bill No. 1003 Conference Committee Changes

	GF	FF/OF		
Federal fund authority for UCRR rewrite	(280,000)	280,000	**authority needed**	The office has applied for a federal grant.
Remove 1/2 of identification tech gf costs	(82,000)	-		Medical marijuana criminal history record checks will start in the 2nd year of the biennium.
Consumer protection settlement - operating	(171,000)	171,000	**authority needed**	
Subtotal - GF reductions, OF & FF changes	(533,000)	451,000		
GF to reduce	717,000			
Difference - GF reduction needed	**184,000**			The office can determine where this reduction will be taken.

April 20, 2017 HB 1003 Attachment A

Attorney General - Budget No. 125
House Bill No. 1003
Base Level Funding Changes

20-Apr-17

	House Version				Senate Version				Conference Committee Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
2017-19 Biennium Base Level	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313	250.00	$48,466,861	$35,247,452	$83,714,313
2017-19 Ongoing Funding Changes												
Base payroll changes		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085		($522,049)	$1,106,134	$584,085
Health insurance increase		637,105	58,357	695,462		590,945	54,129	645,074		590,945	54,129	645,074
Removes 16 FTE positions	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)	(16.00)	(952,505)	(60,722)	(1,013,227)
Changes funding source for 8 FTE positions		(1,120,322)	1,120,322	0		(1,120,322)	1,120,322	0		(1,120,322)	1,120,322	0
Removes 3 additional FTE positions	(3.00)	(134,000)		(134,000)	(3.00)	(134,000)		(134,000)	(3.00)	(134,000)		(134,000)
Restores 4 FTE criminal investigator positions				0	4.00	720,000		720,000	4.00	720,000		720,000
Restores 1 FTE forensic scientist position				0	1.00	170,000		170,000	1.00	170,000		170,000
Restores 1 FTE identification technician position				0	1.00	131,446		131,446	1.00	65,723		65,723
Underfunds salaries and wages		(929,297)		(929,297)		(929,297)		(929,297)		(929,297)		(929,297)
Removes funding for 24/7 sobriety program			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)			(6,375,572)	(6,375,572)
Adjusts funding for operating expenses		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)		301,141	(1,219,094)	(917,953)
Reduces funding for criminal justice information sharing		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)		(188,741)	(291,482)	(480,223)
Reduces funding for law enforcement		(219,348)		(219,348)		(219,348)		(219,348)		(219,348)		(219,348)
Increases federal funds spending authority			228,897	228,897			228,897	228,897			228,897	228,897
Adds funding for IT disaster recovery system		46,703		46,703		46,703		46,703		46,703		46,703
Removes funding for abortion litigation fees		(400,000)		(400,000)		(400,000)		(400,000)		(400,000)		(400,000)
Increases funding for litigation fees		100,000		100,000		100,000		100,000		100,000		100,000
Increases funding for Indian gaming audit expenses			37,500	37,500			37,500	37,500			37,500	37,500
Adds funding for equipment		(194,388)	606,882	412,494		(194,388)	606,882	412,494		(194,388)	606,882	412,494
Increases funding for the State Crime Lab bond payments		529		529		529		529		529		529
Reduces operating expenses		(891,689)	21,874	(869,815)		(859,135)	21,874	(837,261)		(1,230,412)	192,874	(1,037,538)
Total ongoing funding changes	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,459,021)	($4,771,132)	($8,230,153)	(13.00)	($3,896,021)	($4,600,132)	($8,496,153)
One-time funding items												
Adds funding for the uniform crime reporting rewrite				$0		$280,000		$280,000			$280,000	$280,000
Adds funding for DOS based deposit system rewrite				0		100,000		100,000		100,000		100,000
Adds spending authority for cost share program				0			315,000	315,000			315,000	315,000
Total one-time funding changes	0.00	$0	$0	$0	0.00	$380,000	$315,000	$695,000	0.00	$100,000	$595,000	$695,000
Total Changes to Base Level Funding	(19.00)	($4,466,861)	($4,766,904)	($9,233,765)	(13.00)	($3,079,021)	($4,456,132)	($7,535,153)	(13.00)	($3,796,021)	($4,005,132)	($7,801,153)
2017-19 Total Funding	231.00	$44,000,000	$30,480,548	$74,480,548	237.00	$45,387,840	$30,791,320	$76,179,160	237.00	$44,670,840	$31,242,320	$75,913,160

Other Sections in Attorney General - Budget No. 125

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Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version	Conference Committee Version
Health insurance increase	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.	Section 2 identifies the funding increase for health insurance premium increases included in the agency's appropriation.
Line item transfer authorization		Section 4 authorizes the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.	Section 4 authorizes the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
Tobacco settlement trust fund	Section 4 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 5 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.	Section 5 identifies $200,000 from the tobacco settlement trust fund for the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.
Industrial Commission litigation funds - Grant to Attorney General		Section 6 requires the Industrial Commission to provide a grant from funds appropriated to the commission for litigation expenses as requested by the Attorney General for litigation-related expenses incurred by the Attorney General as a result of the protests and related activities associated with the Dakota Access Pipeline Project.	Section 6 requires the Industrial Commission to provide a grant from funds appropriated to the commission for litigation expenses as requested by the Attorney General for litigation-related 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 must report quarterly to the Budget Section regarding litigation expenses paid from the Industrial Commission's litigation fund during the 2017-18 interim.
Legislative intent			Section 7 provides legislative intent for the Attorney General to pursue all reasonable and available options to recoup all costs and expenses incurred by the state and its political subdivisions as a result the protests and related activities associated with the Dakota Access Pipeline Project.
Appropriation - Additional federal funds or other funds	Section 5 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.	Section 7 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.	Section 8 appropriates $250,000 from federal or other funds to the Attorney General, for the purpose of defraying the expenses of the Attorney General for the 2017-19 biennium. The Attorney General shall report to the Office of Management and Budget and the Legislative Council on the availability of this funding.
Contingent appropriation - Funding for statewide automated victim information and notification program enhancements		Section 8 authorizes the Attorney General to use $500,000 from rent savings for enhancing the statewide automated victim information and notification program (SAVIN) and provides a contingent appropriation of $500,000 from the oil and gas impact grant fund if rent savings are not realized during the 2017-19 biennium.	Section 9 authorizes the Attorney General to use $500,000 from rent savings for enhancing the statewide automated victim information and notification program (SAVIN) and provides a contingent allocation of $500,000 from the oil and gas impact grant fund, from funds previously appropriated in subsection 3 of section 5 of chapter 463 of the 2015 Session Laws for grants to law enforcement agencies, if rent savings are not realized during the 2017-19 biennium.
Statewide automated victim information and notification program enhancements - Cost sharing program - Estimated income		Section 9 and 10 authorizes the Attorney General to establish a cost-sharing program for the SAVIN system and appropriates $315,000 of other funds received from payments from political subdivisions for the cost-sharing program. Section 11 amends Section 27-01-10 related to fee assessments for funding crime victim and wintess programs, to require that a fee be charged.	Section 10 and 11 authorizes the Attorney General to establish a cost-sharing program for the SAVIN system and appropriates $315,000 of other funds received from payments from political subdivisions for the cost-sharing program. Section 12 amends Section 27-01-10 related to fee assessments for funding crime victim and wintess programs, to require that a fee be charged.

Other Sections in Attorney General - Budget No. 125

	House Version	Senate Version	Conference Committee Version
Medicaid fraud Act - Medicaid Fraud Control Unit - Appropriation - Contigent effective date		Section 12 creates a Medicaid fraud Act. Section 13 appropriates $156,160 from the general fund and $1,405,444 from federal funds for a Medicaid fraud control unit and authorizes 6 FTE positions for the unit. Section 18 provides that Sections 12 and 13 are effective on the date the executive director of the Department of Human Services certifies that federal medical assistance funding available to the state will be reduced as a result of the state not being granted a waiver relating to a Medicaid Fraud Control Unit.	
Electronic pull tab device requirements			Section 13 creates a new section to Chapter 53-06.1 relating to electronic pull tab device requirements. The section requires an electronic pull tab device to display an electronic pull tab and it may not directly dispense coins, cash, tokens, or anything else of value.
Criminal history record checks - Fees		Section 14 authorizes the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record check's conduct by the Bureau of Criminal Investigation, as a result of legislation enacted by the Sixty-Fifth Legislative Assembly. The fees are to be deposited in the general fund.	Section 14 authorizes the Attorney General to charge a reasonable fee set by the Attorney General for criminal history record check's conduct by the Bureau of Criminal Investigation, as a result of legislation enacted by the Sixty-Fifth Legislative Assembly. The fees are to be deposited in the general fund.
Exemption - Strategic investment and improvements fund and human trafficking grants	Section 6 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.	Section 15 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium.	Section 15 provides an exemption for funding appropriated from the strategic investment and improvements fund by the 2013–15 Legislative Assembly to the Attorney General for the use of crime-related needs of the Attorney General's office for the 2017–19 biennium. Provides an exemption for funding appropriated for human trafficking grants provided for the 2015-17 biennium.
Continuing appropriations	Section 7 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 16 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.	Section 16 provides the Attorney General may retain the balance in the Attorney General refund fund on June 30, 2017, rather than transferring the balance to the general fund.
Exemption - Additional funding for litigation fees		Section 17 provides an exemption for $100,000 of funding appropriated during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 beinnium in the Attorney General's litigation fees line.	Section 17 provides an exemption for $100,000 of funding appropriated during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 beinnium in the Attorney General's litigation fees line.
Emergency		Section 19 declares sections 8 and 9 to be an emergency.	Section 18 declares sections 9 and 10 to be an emergency.