

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)
(At the request of the Legislative Management)

AN ACT providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications, transfers, and cancellation of unexpended appropriations; to amend and reenact sections 54-03-20, 54-35-06, and 54-35-10 of the North Dakota Century Code, relating to legislative compensation and expenditures; to provide for a legislative management study; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 2017, as follows:

Subdivision 1.

SIXTY-FOURTH AND SIXTY-FIFTH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,205,759	\$811,614	\$10,017,373
Operating expenses	3,940,926	1,109,005	5,049,931
Capital assets	0	416,800	416,800
National conference of state legislatures	<u>233,286</u>	<u>7,977</u>	<u>241,263</u>
Total general fund	\$13,379,971	\$2,345,396	\$15,725,367

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,660,860	\$885,837	\$9,546,697
Accrued leave payments	143,087	(143,087)	0
Operating expenses	3,753,527	(271,091)	3,482,436
Capital assets	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Total all funds	\$12,557,474	\$501,659	\$13,059,133
Less estimated income	<u>69,999</u>	<u>1</u>	<u>70,000</u>

Total general fund	\$12,487,475	\$501,658	\$12,989,133
Full-time equivalent positions	37.00	0.00	37.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,867,446	\$2,847,054	\$28,714,500
Grand total special funds	69,999	1	70,000
Grand total all funds	\$25,937,445	\$2,847,055	\$28,784,500

SECTION 2. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Legislative wing equipment and improvements	\$500,000	\$400,000
Information technology projects	42,000	0
Information technology equipment	0	603,050
LEGEND maintenance	0	191,760
Council of State Governments conference	0	350,000
Total general fund	\$542,000	\$1,544,810

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The legislative assembly shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation for the legislative management and legislative council in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Information technology projects	\$50,000	\$0
Office equipment replacement	25,000	30,000
Office improvements	50,000	50,000
Education funding study	100,000	0
Higher education study	150,000	0
Information technology equipment	0	135,460
Total general fund	\$375,000	\$215,460

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The legislative council shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. TRANSFERS. Notwithstanding section 54-16-05, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative management and legislative council as may be requested by the chairman of the legislative

management or the director of the legislative council upon the finding by the chairman or the director that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and legislative council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the sixty-fourth and sixty-fifth legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 5. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 32 of the 2013 Session Laws. The director of the office of management and budget and the state treasurer shall make transfers of funds between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2013-15 biennium as directed by the chairman of the legislative management or the director of the legislative council.

¹ **SECTION 6. AMENDMENT.** Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~sixty-seven~~seventy-two dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.

¹ Section 54-03-20 was also amended by section 7 of House Bill No. 1001, chapter 1, and section 1 of House Bill No. 1199, chapter 366.

- (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~sixty-seven~~eighty-one dollars a month, paid monthly.
- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.

- c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of three hundred ~~thirty-five~~forty-five dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

² **SECTION 7. AMENDMENT.** Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~seventy-two~~seventy-seven dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
- (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
- (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling

² Section 54-03-20 was also amended by section 6 of House Bill No. 1001, chapter 1, and section 1 of House Bill No. 1199, chapter 366.

exceeds the amount to which a legislator is entitled under subdivision a.

3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~eighty-one~~ninety-five dollars a month, paid monthly.
- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
- c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided

by law, the sum of three hundred ~~forty-five~~^{forty-five} dollars per month during the biennium for their execution of public duties.

8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 8. AMENDMENT. Section 54-35-06 of the North Dakota Century Code is amended and reenacted as follows:

54-35-06. Officers - Accept funds - Expenditures.

The legislative management shall select a chairman and a vice chairman from its own members and may prescribe its own rules of procedure. The legislative management may appoint a secretary who need not be a member, and shall appoint a director who must be in charge of the legislative council and who must be paid such salary as the legislative management may determine. The director may employ such persons and obtain the assistance of such research agencies as determined necessary. The director may use available funds for salary adjustments to assist with staff recruitment, retention, and recognition of exceptional performance. The legislative management and the legislative council may accept and use any funds made available through the terms of any agreement made with any agency whatsoever for the accomplishment of the purpose of this chapter. Expenditures of funds made available by legislative appropriation must be made in accordance with rules or motions duly approved by the legislative management.

³ **SECTION 9. AMENDMENT.** Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~sixty-seven~~^{sixty-seven}~~seventy-two~~ dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

³ Section 54-35-10 was also amended by section 10 of House Bill No. 1001, chapter 1.

⁴ **SECTION 10. AMENDMENT.** Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~seventy-two~~~~seventy-seven~~ dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - FINANCING STATE CONSTRUCTION PROJECTS. During the 2015-16 interim, the legislative management shall consider studying the use of bonding to finance state building, road, and water construction projects. If conducted, the study must include consideration of the effect that financing state construction projects with existing oil revenue has had on both the construction industry and the oil and gas industry. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 12. EFFECTIVE DATE. Sections 6 and 9 of this Act become effective on July 1, 2015, and sections 7 and 10 become effective on July 1, 2016.

SECTION 13. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 27, 2015
Filed April 27, 2015

⁴ Section 54-35-10 was also amended by section 9 of House Bill No. 1001, chapter 1.

CHAPTER 2

HOUSE BILL NO. 1002

(Appropriations Committee)
(At the request of the Supreme Court)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to provide for the establishment of additional district court judgeships; and to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017.

Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,851,552	\$1,557,557	\$11,409,109
Accrued leave payments	531,696	(531,696)	0
Operating expenses	2,754,254	390,745	3,144,999
Capital assets	0	1,012,377	1,012,377
Judges retirement	75,017	4,571	79,588
Guardianship monitoring program	<u>70,000</u>	<u>233,789</u>	<u>303,789</u>
Total general fund	\$13,282,519	\$2,667,343	\$15,949,862

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$61,177,621	\$10,591,709	\$71,769,330
Accrued leave payments	2,399,277	(2,399,277)	0
Operating expenses	20,847,479	2,780,840	23,628,319
Capital assets	0	1,968,460	1,968,460
Judges retirement	500,936	(92,287)	408,649
UND central legal research	<u>80,000</u>	<u>0</u>	<u>80,000</u>
Total all funds	\$85,005,313	\$12,849,445	\$97,854,758
Less estimated income	<u>1,808,090</u>	<u>114,060</u>	<u>1,922,150</u>
Total general fund	\$83,197,223	\$12,735,385	\$95,932,608

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	<u>\$1,020,874</u>	<u>\$106,613</u>	<u>\$1,127,487</u>
Total all funds	\$1,020,874	\$106,613	\$1,127,487
Less estimated income	<u>367,499</u>	<u>77,157</u>	<u>444,656</u>
Total general fund	\$653,375	\$29,456	\$682,831

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$97,133,117	\$15,432,184	\$112,565,301
Grand total special funds	<u>2,175,589</u>	<u>191,217</u>	<u>2,366,806</u>
Grand total all funds	\$99,308,706	\$15,623,401	\$114,932,107
Full-time equivalent positions	363.00	28.00	391.00

SECTION 2. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Office equipment and furniture	\$331,470	\$220,000
Information technology equipment	516,556	924,460
Juvenile case management system replacement study	90,000	0
Disaster recovery planning	95,000	0
Criminal justice information sharing publisher project	139,850	0
Disaster recovery project	0	2,000,000
Facility space expansion	0	1,149,377
Criminal case eFile initiation	<u>0</u>	<u>99,000</u>
Total general fund	\$1,172,876	\$4,392,837

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The supreme court shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfer of funds between line items of appropriation for the judicial branch of government as may be requested by the

supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 5. DISTRICT JUDGES. The appropriation provided in subdivision 2 of section 1 of this Act provides for four additional district court judges to be assigned pursuant to section 27-05-01 and to be assigned to chambers by the supreme court. Within thirty days after the effective date of this Act, the judgeship vacancies created by this section must be filled in accordance with section 13 of article VI of the Constitution of North Dakota. In accordance with section 9 and 13 of article VI of the Constitution of North Dakota, each judge appointed to fill a vacancy created by this section continues in office until the next general election immediately following two years of service after the appointment. The individual then elected holds office for the remainder of the term and until a successor is elected and duly qualified.

SECTION 6. AMENDMENT. Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

27-02-02. Salaries of justices of supreme court.

The annual salary of each justice of the supreme court is one hundred ~~forty three fifty-two~~ thousand ~~six four~~ hundred ~~eighty five thirty-six~~ dollars through June 30, ~~2014~~2016, and one hundred ~~forty seven fifty-seven~~ thousand nine hundred ~~ninety-six~~ dollars thereafter. The chief justice of the supreme court is entitled to receive an additional four thousand ~~one three~~ hundred ~~twenty seven seventy-seven~~ dollars per annum through June 30, ~~2014~~2016, and four thousand ~~two five~~ hundred ~~fifty eight~~ dollars per annum thereafter.

SECTION 7. AMENDMENT. Section 27-05-03 of the North Dakota Century Code is amended and reenacted as follows:

27-05-03. Salaries and expenses of district judges.

The annual salary of each district judge is one hundred ~~thirty-one thirty-nine~~ thousand six hundred ~~sixty-one seventy-nine~~ dollars through June 30, ~~2014~~2016, and one hundred ~~thirty-five forty-three~~ thousand ~~six eight~~ hundred ~~eleven sixty-nine~~ dollars thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional ~~three four~~ thousand ~~eight hundred~~ ~~three thirty-five~~ dollars per annum through June 30, ~~2014~~2016, and ~~three four~~ thousand ~~nine one~~ hundred ~~seventeen fifty-six~~ dollars thereafter.

Approved April 27, 2015

Filed April 27, 2015

CHAPTER 3**HOUSE BILL NO. 1003**

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

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact five new sections to chapter 15-10, chapters 15-62.4 and 15-62.5, and a new subsection to a new section to chapter 54-10 as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, of the North Dakota Century Code, relating to a unified workforce, vocational, and technical education program system, the workforce education advisory council, the required use of electronic mail, file server administration, database administration, application server, and hosting services, audits of higher education computer systems, annual reports regarding scholarships, the student financial assistance program, the scholars program, and higher education audits; to amend and reenact subdivision c of subsection 1 of section 15-10-17, sections 15-18.2-02, 15-18.2-03, 15-18.2-04, 15-18.2-05, 54-12-08, and 54-44.1-04, subsection 4 of section 54-44.1-06, and section 54-44.1-11 of the North Dakota Century Code, relating to university system office personnel, state aid to institutions, attorneys hired by the state board of higher education, budget requests submitted to the office of the budget, preparation of budget data, and the cancellation of unexpended appropriations; to repeal chapter 15-62.2 of the North Dakota Century Code, relating to the student financial assistance program and the scholars program; to provide for the transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit tuition rate increases; to reauthorize projects for North Dakota state university and Minot state university; to provide for budget section reports; to provide for reports to the sixty-fifth legislative assembly; to provide for legislative management reports and studies; to provide an appropriation to the attorney general; to provide contingent appropriations to the state board of higher education; to provide exemptions; 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 state board of higher education and to the entities and institutions under the supervision of the board, for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836

Competitive research program	7,050,000	0	7,050,000
System governance	12,666,502	(5,139,509)	7,526,993
Title II	1,006,472	0	1,006,472
Core technology services	38,662,551	7,318,414	45,980,965
Student financial assistance grants	21,245,679	4,388,597	25,634,276
Professional student exchange program	4,275,015	0	4,275,015
Academic and technical education scholarships	10,000,000	4,054,677	14,054,677
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	649,267	0	649,267
Tribally-controlled community college grants	1,000,000	0	1,000,000
Education incentive programs	3,349,000	0	3,349,000
Student mental health	282,520	33,480	316,000
Veterans assistance grants	325,000	0	325,000
Deferred maintenance pool	0	8,700,000	8,700,000
Campus security pool	0	3,000,000	3,000,000
Open education resources training	0	110,000	110,000
Internal audit pool	0	300,000	300,000
Total all funds	\$113,861,635	\$20,698,450	\$134,560,085
Less estimated income	2,299,912	211,304	2,511,216
Total general fund	\$111,561,723	\$20,487,146	\$132,048,869
Full-time equivalent positions	112.91	(8.52)	104.39

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$32,653,654	\$3,509,499	\$36,163,153
Capital assets	417,673	2,175,000	2,592,673
Total all funds	\$33,071,327	\$5,684,499	\$38,755,826
Less estimated income	0	600,000	600,000
Total general fund	\$33,071,327	\$5,084,499	\$38,155,826
Full-time equivalent positions	126.96	6.57	133.53

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,429,097	\$2,403,092	\$14,832,189
Capital assets	155,367	1,648,423	1,803,790
Total all funds	\$12,584,464	\$4,051,515	\$16,635,979
Less estimated income	0	0	0
Total general fund	\$12,584,464	\$4,051,515	\$16,635,979
Full-time equivalent positions	40.22	9.97	50.19

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,783,506	(\$233,042)	\$12,550,464
Capital assets	<u>197,801</u>	<u>0</u>	<u>197,801</u>
Total all funds	\$12,981,307	(\$233,042)	\$12,748,265
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$12,981,307	(\$233,042)	\$12,748,265
Full-time equivalent positions	44.15	5.81	49.96

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$149,683,005	\$17,591,333	\$167,274,338
Capital assets	<u>4,411,566</u>	<u>74,760,000</u>	<u>79,171,566</u>
Total all funds	\$154,094,571	\$92,351,333	\$246,445,904
Less estimated income	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total general fund	\$154,094,571	\$86,351,333	\$240,445,904
Full-time equivalent positions	633.60	(3.40)	630.20

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$140,341,540	\$14,336,756	\$154,678,296
Capital assets	<u>2,732,244</u>	<u>11,600,000</u>	<u>14,332,244</u>
Total all funds	\$143,073,784	\$25,936,756	\$169,010,540
Less estimated income	<u>0</u>	<u>11,600,000</u>	<u>11,600,000</u>
Total general fund	\$143,073,784	\$14,336,756	\$157,410,540
Full-time equivalent positions	491.21	45.89	537.10

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$38,181,456	\$5,537,929	\$43,719,385
Capital assets	<u>1,012,379</u>	<u>13,298,000</u>	<u>14,310,379</u>
Total all funds	\$39,193,835	\$18,835,929	\$58,029,764
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$39,193,835	\$18,835,929	\$58,029,764
Full-time equivalent positions	171.87	(3.57)	168.30

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$26,299,227	\$2,307,626	\$28,606,853
Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
Total all funds	\$26,708,305	\$2,307,626	\$29,015,931
Less estimated income	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total general fund	\$26,708,305	\$307,626	\$27,015,931
Full-time equivalent positions	100.32	19.94	120.26

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$14,364,424	\$2,015,729	\$16,380,153
Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
Total all funds	\$14,723,416	\$2,015,729	\$16,739,145
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$14,723,416	\$2,015,729	\$16,739,145
Full-time equivalent positions	62.78	3.45	66.23

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$43,810,211	\$4,048,350	\$47,858,561
Capital assets	<u>899,620</u>	<u>0</u>	<u>899,620</u>
Total all funds	\$44,709,831	\$4,048,350	\$48,758,181
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$44,709,831	\$4,048,350	\$48,758,181
Full-time equivalent positions	201.76	2.34	204.10

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$20,691,135	\$4,370,214	\$25,061,349
Capital assets	<u>408,319</u>	<u>30,289,000</u>	<u>30,697,319</u>
Total all funds	\$21,099,454	\$34,659,214	\$55,758,668
Less estimated income	<u>0</u>	<u>16,000,000</u>	<u>16,000,000</u>
Total general fund	\$21,099,454	\$18,659,214	\$39,758,668
Full-time equivalent positions	97.29	8.30	105.59

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,892,043	\$697,566	\$8,589,609
Capital assets	114,007	11,746,983	11,860,990
Total all funds	\$8,006,050	\$12,444,549	\$20,450,599
Less estimated income	0	10,648,194	10,648,194
Total general fund	\$8,006,050	\$1,796,355	\$9,802,405
Full-time equivalent positions	36.12	10.84	46.96

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH
SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$52,762,590	\$18,674,806	\$71,437,396
Total all funds	\$52,762,590	\$18,674,806	\$71,437,396
Less estimated income	0	0	0
Total general fund	\$52,762,590	\$18,674,806	\$71,437,396
Full-time equivalent positions	156.55	28.03	184.58

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$6,249,979	\$306,655	\$6,556,634
Capital assets	101,210	0	101,210
Total all funds	\$6,351,189	\$306,655	\$6,657,844
Less estimated income	1,650,000	0	1,650,000
Total general fund	\$4,701,189	\$306,655	\$5,007,844
Full-time equivalent positions	29.00	(0.04)	28.96

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$679,271,846	\$196,909,865	\$876,181,711
Grand total special funds	3,949,912	47,059,498	51,009,410
Grand total all funds	\$683,221,758	\$243,969,363	\$927,191,121

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Capital projects - general fund	\$155,691,350	\$99,909,212

Capital projects - other funds	168,531,029	44,848,194
Capital projects contingency pool	5,483,413	0
Campus security pool	0	3,000,000
CTS technology projects	0	2,821,500
Open education resource training	0	110,000
Theodore Roosevelt center	6,000,000	800,000
Williston state college energy development impact	0	2,500,000
Dickinson state university leadership transition	0	2,000,000
Museum of art deferred maintenance	0	760,000
Williston state college workforce training facility	2,500,000	0
Campus deferred maintenance projects	440,000	0
Performance funding pool	5,000,000	0
Dickinson state university operating funds	800,000	0
Minot state university flood recovery funds	2,500,000	0
Dakota college at Bottineau - campus software updates	28,500	0
Deferred maintenance pool	10,000,000	8,700,000
Education challenge fund	29,000,000	0
School of medicine and health sciences residency positions	0	4,700,000
Health care workforce initiative	7,414,806	13,814,806
Master plan and space utilization study	1,000,000	0
Total all funds	\$394,389,098	\$183,963,712
Total other funds	171,031,029	46,848,194
Total general fund	\$223,358,069	\$137,115,518

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. CONTINGENT APPROPRIATION - LEGISLATIVE MANAGEMENT REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the state board of higher education for the unified workforce, vocational, and technical education program system, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is available only if the state board of higher education certifies to the office of management and budget that a unified workforce, vocational, and technical program system has been established. The board shall provide reports to the legislative management on the status of the development of the unified system.

SECTION 4. CONTINGENT APPROPRIATION - BUDGET SECTION APPROVAL. Subject to budget section approval as provided in this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of reorganizing the office of the commissioner of higher education, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funds provided under this section are available only if the state board of higher education submits to the budget section for approval a plan to reorganize the office of the commissioner of higher education. The plan must detail the proposed organizational structure of the office, priorities of the office, and process changes to increase office and systemwide efficiencies. The budget section may approve the entire appropriation provided under this section, or a portion of the appropriation, for the board of higher education to use for the purposes identified in this section. The funding provided in this section is considered a one-time funding item.

SECTION 5. CONTINGENT GENERAL FUND APPROPRIATIONS - STATE BOARD OF HIGHER EDUCATION - CAPITAL PROJECTS - BUDGET SECTION APPROVAL.

1. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000, or so much of the sum as may be necessary, to the state board of higher education for the Valley City state university fine arts building project, including the demolition of two existing buildings, for the biennium beginning July 1, 2015, and ending June 30, 2017.
2. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000, or so much of the sum as may be necessary, to the state board of higher education for the North Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.
3. a. The appropriation in subsection 1 of this section is available only if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000, or if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000.
- b. The appropriation in subsection 2 of this section is available only if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$200,000,000. Additionally, the appropriation in subsection 2 is available only if the state board of higher education certifies to the budget section that the Dunbar Hall project conforms to the university system campus master plan and space utilization study and the board receives budget section approval to proceed with the project.
- c. For purposes of this subsection, "estimated general fund revenues" excludes the unobligated general fund balance on July 1, 2015, and transfers to the general fund from the strategic investment and improvements fund, property tax relief fund or tax relief fund, the lottery, the mill and elevator, and gas tax administration.

SECTION 6. APPROPRIATION - ATTORNEY GENERAL. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from the general fund in the state treasury, not otherwise appropriated, to the attorney general for the following purposes:

Intellectual property attorney	\$436,994
Continuation of contracted higher education legal services	<u>700,000</u>
Total general fund	\$1,136,994

The attorney general is authorized one intellectual property attorney full-time equivalent position. The attorney general may not spend any funds designated for the intellectual property attorney position for purposes other than the salaries and wages and operating expenses of the intellectual property attorney. The funding designated for contracted higher education legal services is considered a one-time funding item.

***SECTION 7. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove, at will, all university system office personnel, fix their salaries within the limits of legislative appropriations, ~~fix their terms of office~~, and prescribe their duties. The board may provide severance pay to an employee upon termination of employment only in accordance with section 54-14-04.3.

SECTION 8. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Required use of electronic mail, file server administration, database administration, application server, and hosting services.

Each institution and entity under the control of the state board of higher education shall obtain electronic mail, file server administration, database administration, research computing, storage, application server, and hosting services through a delivery system established by the board. The board shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

SECTION 9. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Audits of computer systems - Penalty.

1. Any auditor hired to conduct audits of the state board of higher education and the entities under the control and supervision of the board may:
 - a. Conduct a review and assessment of any computer system or related security system of the state board of higher education or any entity under the control and supervision of the board. A review and assessment under this section may include an assessment of system vulnerability, network penetration, any potential security breach, and the susceptibility of the system to cyber attack or cyber fraud.
 - b. Disclose the findings of a review and assessment to an individual or committee designated by the state board of higher education or to the board. Any record relating to a review and assessment, including a working paper or preliminary draft of a review and assessment report and a report of the findings of a review and assessment, and any record that may cause or perpetuate vulnerability of a computer system or related security system which is obtained or created during a review and assessment is an exempt record.
 - c. In conjunction with the state board of higher education or a committee designated by the board, procure the services of a specialist in information security systems or any other contractor deemed necessary in conducting a review and assessment under this section.

2. Any person hired or contracted to provide services in relation to a review and assessment under this section is subject to the privacy and confidentiality provisions of subsection 1 and any other section of law, including section 44-04-27, and for the purposes of section 12.1-13-01, is a public servant.

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

Unified workforce, vocational, and technical education program system.

The state board of higher education shall establish and maintain a unified system to offer workforce training, vocational education, and technical education programs at institutions under its control. The board shall periodically review programs offered by institutions under its control and revise program offerings based on the workforce needs of the state identified by the workforce education advisory council. The board shall develop administrative arrangements that make possible the efficient use of facilities and staff. The board shall limit administrative costs by eliminating duplicative administrative positions.

SECTION 11. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Workforce education advisory council - Membership - Duties.

The state board of higher education shall establish a workforce education advisory council to advise the board regarding skills and qualifications needed for workforce training, vocational, and technical education programs offered at institutions under the control of the board. The council is composed of a representative of the department of career and technical education, a representative of job service North Dakota, a representative of the department of commerce, and eight members representing business and industry in the state. The eight members representing business and industry shall be appointed by the chairman of the legislative management. The North Dakota university system office shall provide staff services for the advisory council and members of the council who are not employees of the state are entitled to expense reimbursement from the board, as provided by law for state officers, for attending meetings of the council.

SECTION 12. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Annual report - Scholarships.

The state board of higher education shall provide to the legislative management an annual report regarding the number of North Dakota academic scholarships and career and technical education scholarships provided and demographic information pertaining to the recipients.

SECTION 13. AMENDMENT. Section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-02. Weighted credit-hours - Determination - Instructional program classification factors - Submission to legislative management.

1. In order to determine the weighted credit-hours for each institution under its control, the state board of higher education shall multiply each of an institution's completed credit-hours, as determined under section 15-18.2-01, by an instructional program classification factor, as set forth in this section.

- a. The factors for credits completed in agriculture are:
 - (1) 1.9 for lower division credits;
 - (2) 3.8 for upper division credits;
 - (3) 5.7 for professional level credits; and
 - (4) 7.6 for graduate level credits.
- b. The factors for credits completed in architecture are:
 - (1) 1.8 for lower division credits;
 - (2) 3.6 for upper division credits;
 - (3) 5.4 for professional level credits; and
 - (4) 7.2 for graduate level credits.
- c. The factors for credits completed in ~~aviation~~aviation/transportation are:
 - (1) 1.9 for lower division credits;
 - (2) 3.8 for upper division credits;
 - (3) 5.7 for professional level credits; and
 - (4) 7.6 for graduate level credits.
- d. The factors for credits completed in the biological and physical sciences are:
 - (1) 1.9 for lower division credits;
 - (2) 3.8 for upper division credits;
 - (3) 5.7 for professional level credits; and
 - (4) 7.6 for graduate level credits.
- e. The factors for credits completed in business are:
 - (1) 1.9 for lower division credits;
 - (2) 3.8 for upper division credits;
 - (3) 5.7 for professional level credits; and
 - (4) 7.6 for graduate level credits.
- f. The factors for credits completed in education are:
 - (1) 1.9 for lower division credits;
 - (2) 3.8 for upper division credits;

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- (3) 5.7 for professional level credits; and
 - (4) 7.6 for graduate level credits.
 - g. The factors for credits completed in engineering are:
 - (1) 2.5 for lower division credits;
 - (2) 5.0 for upper division credits;
 - (3) 7.5 for professional level credits; and
 - (4) 10.0 for graduate level credits.
 - h. The factors for credits completed in the health sciences are:
 - (1) 3.0 for lower division credits;
 - (2) 6.0 for upper division credits;
 - (3) 9.0 for professional level credits;
 - (4) 12.0 for graduate level credits; and
 - (5) 38.0 for medical school credits.
 - i. The factors for credits completed in legal studies are:
 - (1) 3.5 for lower division credits;
 - (2) 7.0 for upper division credits;
 - (3) 10.5 for professional level credits; and
 - (4) 14.0 for graduate level credits.
 - j. The factors for credits completed in the core disciplines are:
 - (1) 1.0 for lower division credits;
 - (2) 2.0 for upper division credits;
 - (3) 3.0 for professional level credits; and
 - (4) 4.0 for graduate level credits.
 - k. The factor for credits completed in career and technical education is 2.0.
 - l. The factor for completed ~~remedial~~basic skills credits is 2.3.
2. a. The state board of higher education shall ensure that all delineations in this section reflect the requirements of a nationally recognized and standardized instructional program classification system.
- b. Before adopting any changes to the delineations implemented in accordance with this section, the state board of higher education shall

present the proposed changes to and receive the approval of the legislative management.

SECTION 14. AMENDMENT. Section 15-18.2-03 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-03. Credit completion factor - Determination.

1. ~~For~~Except as provided in subsections 2 and 3 of this section, for each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of:
 - a. ~~1.00 if the number of credit hours is at least 100,000;~~
 - b. ~~1.05 if the number of credit hours is at least 95,000 but less than 100,000;~~
 - c. ~~1.10 if the number of credit hours is at least 90,000 but less than 95,000;~~
 - d. ~~1.15 if the number of credit hours is at least 85,000 but less than 90,000;~~
 - e. ~~1.20 if the number of credit hours is at least 80,000 but less than 85,000;~~
 - f. ~~1.25 if the number of credit hours is at least 75,000 but less than 80,000;~~
 - g. ~~1.30 if the number of credit hours is at least 70,000 but less than 75,000;~~
 - h. ~~1.35 if the number of credit hours is at least 65,000 but less than 70,000;~~
 - i. ~~1.40 if the number of credit hours is at least 60,000 but less than 65,000;~~
 - j. ~~1.45 if the number of credit hours is at least 55,000 but less than 60,000;~~
 - k. ~~1.50 if the number of credit hours is at least 50,000 but less than 55,000;~~
 - l. ~~1.55 if the number of credit hours is at least 45,000 but less than 50,000;~~
 - m. ~~1.60 if the number of credit hours is at least 40,000 but less than 45,000;~~
 - n. ~~1.65 if the number of credit hours is at least 35,000 but less than 40,000;~~
 - o. ~~1.70 if the number of credit hours is at least 30,000 but less than 35,000;~~
 - p. ~~1.75 if the number of credit hours is at least 25,000 but less than 30,000;~~
 - q. ~~1.80 if the number of credit hours is at least 20,000 but less than 25,000;~~
 - r. ~~1.85 if the number of credit hours is at least 15,000 but less than 20,000;~~
 - s. ~~1.90 if the number of credit hours is at least 10,000 but less than 15,000;~~
 - t. ~~1.95 if the number of credit hours is at least 5,000 but less than 10,000;~~
and
 - u. ~~2.00 if the number of credit hours is less than 5,000.~~
 - a. 1.00 if the number of credit hours is at least 240,000;

- b. 1.05 if the number of credit-hours is at least 180,000 but less than 240,000;
 - c. 1.10 if the number of credit-hours is at least 120,000 but less than 180,000;
 - d. 1.15 if the number of credit-hours is at least 90,000 but less than 120,000;
 - e. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
 - f. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;
 - g. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
 - h. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
 - i. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
 - j. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000;
and
 - k. 1.80 if the number of credit-hours is less than 30,000.
2. If the square footage of an institution, when divided by the institution's weighted credit-hours results in a quotient greater than 5.00, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a factor of 1.00. For purposes of this subsection, the square footage of an institution includes real property as determined by the state board of higher education in accordance with section 15-18.2-04.
 3. If the number of credit-hours completed by an institution causes a decrease in the credit completion factor for that institution, the new credit completion factor shall not be in effect for calculation purposes for the first two fiscal years following the change.
 4. For purposes of this section, the number of credit-hours must be those determined by the state board of higher education in accordance with section 15-18.2-01.

SECTION 15. AMENDMENT. Section 15-18.2-04 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-04. Institutional size factor - Determination.

1. For each institution under its control, the state board of higher education shall multiply the product determined under section 15-18.2-03 by a size factor of:
 - a. 1.0 if the square footage of the institution, when divided by the institution's weighted credit-hours results in a quotient of less than 5.00; or
 - b. ~~4.8~~1.7 if the square footage of the institution, when divided by the institution's weighted credit-hours results in a quotient of 5.00 or more.

2. For purposes of this section, an institution's square footage:
 - a. Includes all real property owned by the state within an institution's perimeter, except for agricultural experiment stations, agricultural research extension centers, technology parks, and state agencies; and
 - b. Is determined as of June thirtieth in each odd-numbered year.

SECTION 16. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

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

In order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-04 by a base amount of:

1. ~~\$66.35~~\$72.63 in the case of North Dakota state university and the university of North Dakota;
2. ~~\$95.57~~\$107.33 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
3. ~~\$98.75~~ in the case of Minot state university;
4. ~~\$101.73~~\$114.88 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, and North Dakota state college of science; and
5. ~~\$104.88~~ in the case of Williston state college.

SECTION 17. Chapter 15-62.4 of the North Dakota Century Code is created and enacted as follows:

15-62.4-01. Student financial assistance program.

The state board of higher education shall administer the North Dakota student financial assistance program for the purpose of providing a grant to an individual who demonstrates significant financial need and who:

1. a. Graduated from a high school in this state;
- b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
- c. Graduated from a nonpublic high school in a bordering state while residing with a custodial parent in this state;
- d. Completed a program of home education supervised in accordance with chapter 15.1-23; or
- e. Received a general educational development high school diploma from the superintendent of public instruction;

2.
 - a. Is enrolled at an accredited institution of higher education in this state, provided the institution offers a program of instruction equal to at least two academic years; or
 - b. Because of a medically certifiable disability is enrolled at an accredited institution of higher education outside of this state which offers the individual special services or facilities not available in this state, provided the institution offers a program of instruction equal to at least two academic years; and
3. Is pursuing a course of study determined by the state board of higher education to be at least quarter-time.

15-62.4-02. Student financial assistance program - Criteria and procedures.

The state board of higher education shall adopt:

1. Criteria governing the application process;
2. Criteria governing the determination of financial need, which must include consideration of parental contributions to educational expenses;
3. Criteria governing the selection process; and
4. Procedures for providing fiscal control, fund accounting, and reports.

15-62.4-03. Student financial assistance program - Grants.

1. The state board of higher education shall provide to each eligible student a financial assistance grant in an amount not exceeding:
 - a. Nine hundred seventy-five dollars per semester; or
 - b. Six hundred fifty dollars per quarter.
2.
 - a. A student is not entitled to receive grants under this chapter for more than the equivalent of:
 - (1) Eight semesters of full-time enrollment; or
 - (2) Twelve quarters of full-time enrollment.
 - b. Notwithstanding subdivision a, a student is not entitled to receive a grant under this chapter after the student obtains a baccalaureate degree.
3. The board shall forward grants payable under this chapter directly to the institution in which the student is enrolled.

15-62.4-04. Student financial assistance program - Advisory board.

1. The student financial assistance advisory board is created for the purposes of:
 - a. Providing advice to the state board of higher education regarding the student financial assistance program; and

2. On the ACT, achieved composite scores that ranked the individual at or above the ninety-fifth percentile among those who took the ACT prior to July first in the calendar year preceding the individual's enrollment;
3.
 - a. Is enrolled at an accredited institution of higher education in this state that offers a program of instruction equal to at least two academic years;
 - b. Because of a medically certifiable disability is enrolled at an accredited institution of higher education outside of this state that offers the individual special services or facilities not available in this state, provided the institution offers a program of instruction equal to at least two academic years; and
4. Is pursuing a course of study determined by the board to be full-time.

15-62.5-02. Scholars program - Criteria and procedures.

The state board of higher education shall adopt:

1. Criteria governing the application process;
2. Criteria governing the selection process, within the requirements of section 15-62.5-03; and
3. Procedures for providing fiscal control, fund accounting, and reports.

15-62.5-03. Scholars program - Ranking and selection of recipients.

1. The state board of higher education shall rank scholars program applicants by their ACT composite scores.
2. If two or more applicants have the same composite scores, they must be ranked by the numeric sum of their four scale scores on the ACT.
3. If two or more applicants have the same composite scores and the same numeric sum of the four scale scores, they must be ranked by the numeric sum of their English and mathematics scores.
4. The state board of higher education may establish additional criteria to rank applicants who have the same numeric sum of their English and mathematics scores.
5. Scholarships must be offered to applicants in descending order according to this ranking until available funds have been expended or until the pool of applicants has been exhausted.

15-62.5-04. Scholars program - Scholarship amounts - Stipends.

1.
 - a. Each semester, the state board of higher education shall provide to an eligible student a scholarship in an amount not exceeding the tuition charged at the institution in which the student is enrolled, provided the amount may not exceed the highest undergraduate semester tuition charged at an institution of higher education under the control of the state board of higher education.

- b. Each quarter the state board of higher education shall provide to an eligible student a scholarship in an amount not exceeding the tuition charged per quarter at the institution in which the student is enrolled, provided the amount may not exceed two-thirds of the highest undergraduate semester tuition charged at an institution of higher education under the control of the state board of higher education.
- c. For purposes of this subsection, the rates are calculated using a traditional fall and spring academic year.
2. The scholarships provided for under this section are conditioned on the student maintaining a 3.5 cumulative grade point average, based on a 4.0 grading system.
3. Any student eligible for a scholarship under this section is also eligible for a stipend in an amount not exceeding two thousand dollars annually. The state board of higher education may distribute the stipend on a semester or a quarter basis.
4. a. A student is not entitled to receive scholarships under this chapter for more than the equivalent of:
 - (1) Eight semesters of full-time enrollment; or
 - (2) Twelve quarters of full-time enrollment.
- b. Notwithstanding subdivision a, a student is not entitled to receive a scholarship under this chapter after the student obtains a baccalaureate degree.
5. The state board of higher education shall forward scholarships and stipends payable under this chapter directly to the institution in which the student is enrolled.

15-62.5-05. Use of scholarships and stipends - Refund policy.

Scholarships and stipends awarded under this chapter may be applied to defray tuition charges, fees, room and board charges, and the cost of books and supplies, and for any other expenses incidental to attending an institution of higher education. If an individual discontinues attendance before the completion of any semester or quarter for which a scholarship or stipend has been received, the individual is subject to the refund or repayment policy of the institution at which the individual was enrolled.

⁵ **SECTION 19.** A new subsection to a new section to chapter 54-10, as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and enacted as follows:

4. This section does not prohibit the state board of higher education from employing internal audit staff or contracting for internal audit services.

⁵ Section 54-10-30 was created by section 5 of Senate Bill No. 2004, chapter 38.

⁶ **SECTION 20. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, ~~the board of higher education~~, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, and the state hospital.
4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special

⁶ Section 54-12-08 was also amended by section 10 of Senate Bill No. 2003, chapter 37.

assistant attorney general is considered a state educational official authorized to access student records.

SECTION 21. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates of financial requirements for budget units under the control of the state board of higher education must be made using the same forms, supporting information, and documentation as other budget units. Any request for a new full-time or part-time permanent position included in a budget unit's estimate of its financial requirements for the next two fiscal years must include documentation justifying the need for the position. The documentation must describe the circumstances resulting in the need for the position and identify the number of hours the position will be involved in specific types of activities and the anticipated outcomes of the activities. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

SECTION 22. AMENDMENT. Subsection 4 of section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget. The detailed

comparative statements of budget units under the control of the state board of higher education must include the same information presented for other budget units.

SECTION 23. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. (Effective through July 31, 20152017) Office of management and budget to cancel unexpended appropriations - When they may continue.

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

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

(Effective after July 31, 20152017) Office of management and budget to cancel unexpended appropriations - When they may continue. The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two

years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

SECTION 24. REPEAL. Chapter 15-62.2 of the North Dakota Century Code is repealed.

SECTION 25. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. The following line items contained in subdivision 1 of section 1 of this Act include funding that may be transferred in full or in part as provided in this section for the period beginning with the effective date of this Act and ending June 30, 2017, by the state board of higher education to the institutions and entities under its control as follows:

1. The deferred maintenance funding pool line item includes funding that must be used for eligible projects to address deferred maintenance at institutions identified in this subsection. To be eligible to receive funding under this subsection, a project must be identified in campus master plan and space utilization studies and be approved by the board. The maximum amount that may be transferred to each institution from the funding pool is as follows:
 - a. \$3,500,000 to North Dakota state university;
 - b. \$3,500,000 to the university of North Dakota;
 - c. \$700,000 to Bismarck state college;
 - d. \$500,000 to Mayville state university; and
 - e. \$500,000 to lake region state college.
2. The education incentive programs line item includes funding that may be allocated to education incentive programs based on program eligibility criteria and the reduction or elimination of specific programs as determined by the board.
3. The campus security funding pool line item includes funding that must be used to address security needs at institutions based on campus risk and security assessments.

4. The internal audit funding pool line item includes funding that must be used for systemwide and campus internal audit purposes.

The state board of higher education shall provide reports to the legislative management during the 2015-16 interim regarding distributions from the deferred maintenance, campus security, and internal audit funding pools.

SECTION 26. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.

During the biennium beginning July 1, 2015, and ending June 30, 2017, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 27. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - REAUTHORIZATION - BUDGET SECTION REPORT.

In addition to the funds appropriated in section 1 of this Act, North Dakota state university may use unspent state funding from the \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending June 30, 2009, and unspent state funding from the \$13,000,000 appropriation received during the biennium beginning July 1, 2009, and ending June 30, 2011, and special funds derived from insurance litigation settlement and other local institutional funds, to a total of \$23,474,300 for the Minard hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017. North Dakota state university shall report to the budget section regarding the status of the Minard hall project and may request increased spending authorization from the budget section for the project.

SECTION 28. MINOT STATE UNIVERSITY - FOOTBALL STADIUM PRESS BOX - REAUTHORIZATION.

Minot state university may use up to \$4,000,000 in private funds from the city of Minot and \$1,000,000 in local institutional funds for the completion of the football stadium press box during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 29. STUDENT LOAN TRUST FUND. Subdivision 1 of section 1 of this Act includes the sum of \$3,504,744, or so much of the sum as may be necessary, from the student loan trust fund, of which \$465,307 is for the professional student exchange program, \$500,000 is for grants to tribally-controlled community colleges, \$2,000,000 is for campus leadership transition costs at Dickinson state university, and \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 30. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS.

The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2015, and ending June 30, 2017. A minimum of twenty-five percent of the allocation must be transferred by the state board of higher education to the university of North Dakota school of medicine and health sciences.

SECTION 31. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION.

All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2015, and ending June 30,

2017. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2015, and ending June 30, 2017, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 32. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2015, and ending June 30, 2017, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 33. EXEMPTION - USE OF 2013-15 BIENNIUM APPROPRIATIONS - CONTINGENT APPROPRIATION REDUCTION. Of the \$5,000,000 appropriated from the general fund in the performance funding pool line item in section 1 of chapter 34 of the 2013 Session Laws, \$1,000,000 is not subject to section 54-44.1-11 and must be canceled by the office of management and budget on the effective date of this section. Pursuant to section 54-44.1-11, the sum of \$4,000,000 appropriated in the performance funding pool line item of subdivision 1 of section 1 of chapter 34 of the 2013 Session Laws may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017. Of the unexpended appropriation, the state board of higher education shall transfer \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state university, \$500,000 to Minot state university, and \$500,000 to Dakota college at Bottineau for deferred maintenance and extraordinary campus needs. The board shall transfer a prorated amount if sufficient funding is not available to provide for full transfers. Excluding the transfers authorized in this section, the office of management and budget shall reduce the general fund appropriation authority included in the system governance line item contained in subdivision 1 of section 1 of this Act in an amount equal to any appropriation used from the performance funding pool line item contained in section 1 of chapter 34 of the 2013 Session Laws.

SECTION 34. EXEMPTION. The sum of \$750,000 from the general fund is appropriated in the capital assets line item in subdivision 5 of section 1 of chapter 34 of the 2013 Session Laws for the university of North Dakota school of medicine and health sciences Bismarck family practice center skywalk project. Any remaining unexpended appropriation authority for the project is not subject to section 54-44.1-11 and the office of management and budget shall cancel the remaining unexpended appropriation authority on the effective date of this section.

SECTION 35. EXEMPTION - THEODORE ROOSEVELT CENTER PROJECT - APPROPRIATION CANCELLATION. Section 3 of chapter 34 of the 2013 Session Laws includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university for the Theodore Roosevelt center project. Section 4 of chapter 49 of the 2013 Session Laws includes the sum of \$6,000,000 from the general fund appropriated to Dickinson state university for the Theodore Roosevelt center project. Notwithstanding section 54-44.1-11, the office of management and budget shall cancel these appropriations on July 1, 2016, unless Dickinson state university certifies to the office of management and budget that a site has been selected for the Theodore Roosevelt center, construction plans have been developed for the project, and construction on the center will commence prior to January 1, 2017.

SECTION 36. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North Dakota university system shall report any

adjustments to the office of management and budget before the submission of the 2017-19 biennium budget request.

SECTION 37. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this section and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

Dakota college at Bottineau - dormitory renovations	\$2,900,000
North Dakota state university - aquatic center	<u>10,000,000</u>
Total special funds	\$12,900,000

SECTION 38. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS - LEGISLATIVE MANAGEMENT REPORT. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. An institution may not use a transfer from the deferred maintenance funding pool to provide matching funds under this section. This section does not apply to funding provided for repairs and maintenance of the North Dakota museum of art facility. During the 2015-16 interim, the state board of higher education shall provide a report to the legislative management regarding the use of extraordinary repairs funding and related matching funds.

SECTION 39. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION APPROVAL.

1. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2015-16 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2015 spring semester unless the board receives prior budget section approval.
2. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2016-17 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2016 spring semester unless the board receives prior budget section approval.
3. For purposes of this section, an institution must calculate a tuition rate increase based on the tuition rate paid by an average full-time student. Any adjustments to a tuition rate resulting from a change in an institution's method of charging tuition, including the addition of fees to tuition rates or charging tuition based on a per-credit rate, must be included in tuition rate calculations under this section.

4. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.
5. This section does not apply to tuition rates charged for programs offered through the university of North Dakota school of medicine and health sciences.

SECTION 40. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE UNIVERSITY. Before July 1, 2016, the state board of higher education shall provide a report to the legislative management regarding the operations of Dickinson state university. The report must detail the financial condition of the institution and board directives and plans to improve the financial stability of the institution.

SECTION 41. LEGISLATIVE INTENT - ATTORNEY SALARIES. It is the intent of the sixty-fourth legislative assembly that all assistant attorneys general employed in the office of the attorney general, including attorneys assigned to higher education issues, be provided salary and benefits in accordance with uniform salary and benefits schedules established by the attorney general.

SECTION 42. STATE BOARD OF HIGHER EDUCATION DATA INCONSISTENCIES - REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY. During the biennium beginning July 1, 2015, and ending June 30, 2017, the state board of higher education shall evaluate the following data inconsistency issues at institutions and entities under its control and develop policies and procedures to correct the inconsistencies:

1. Lack of integration of personal and demographic information among computer systems;
2. Lack of use of standard chart of accounts for financial reporting and standard department budget table deduction and tax override flags;
3. Absence of standard business processes for recording mandatory fees and for changing payroll funding source information;
4. Inconsistent methods and procedures at institutions for recording high school completions, identifying student cohorts for reporting purposes, and classifying agency funds;
5. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting students, using purchasing card, charging tuition and fees, and accruing of faculty sick leave;
6. Inconsistent coding and naming for bad debt expense and journal entries;
7. Use of shadow accounting systems for reporting purposes; and
8. Inconsistent definitions for a distance education student, a resident student for tuition purposes, and a full-time student for federal tax purposes.

The state board of higher education shall provide a report to the appropriations committees of the sixty-fifth legislative assembly regarding the status of the inconsistencies, including policies and procedures implemented to correct the inconsistencies.

SECTION 43. HIGHER EDUCATION INSTITUTION PERMANENT FUNDS - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The state board of higher education shall provide a report to the appropriations committees of the sixty-fifth

legislative assembly regarding the use of funds received by institutions under its control from permanent fund income established for the benefit of the institutions in section 1 of article IX of the Constitution of North Dakota.

SECTION 44. EXTRAORDINARY CAMPUS NEEDS FUNDING - REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The operations line item in subdivision 4 of section 1 of this Act includes the sum of \$2,500,000 for extraordinary campus needs at Williston state college. Williston state college shall provide a report to the appropriations committees of the sixty-fifth legislative assembly regarding the use of this funding and the need to continue the funding in to the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 45. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION COURSE DELIVERY METHODS. During the 2015-16 interim, the legislative management shall consider studying the delivery methods of higher education courses offered by institutions under the control of the state board of higher education. The study, if conducted, must include a review of current methods of distance education offered by institutions, options to improve delivery methods, revenue generated by each type of delivery method, and how course delivery methods may affect future campus infrastructure needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 46. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION MISSIONS. During the 2015-16 interim, the legislative management shall consider studying the missions of all two-year institutions and the missions of any other institutions under the control of the state board of higher education, as determined by the legislative management, including the feasibility and desirability of the institutions offering only workforce and career and technical education programs. The study must review the current missions of the institutions, current and projected course and program enrollments, projected workforce needs, including how the institutions can serve the needs, and options to increase operating efficiencies. The legislative management shall report its findings, together with any legislation necessary to implement the findings, to the sixty-fifth legislative assembly.

SECTION 47. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION COSTS. During the 2015-16 interim, the legislative management shall consider studying administrative costs at institutions under the control of the state board of higher education. The study, if conducted, must review the number of administrator positions at each institution, the number of new administrator positions added at each institution during the previous five academic years, the total salaries and benefits associated with the administrator positions, the average salaries and benefits for administrator positions at each institution for each of the previous five fiscal years, the percentage of overall institution operating costs attributable to administration, and options to provide future increased legislative appropriations to institutions specifically for instructional purposes. The legislative management shall report its findings, together with any legislation necessary to implement the findings, to the sixty-fifth legislative assembly.

SECTION 48. EMERGENCY. Sections 9, 25, 28, 33, 34, and 37 and the capital assets, campus security pool, and deferred maintenance pool line items in section 1 of this Act are declared to be an emergency measure.

Approved May 14, 2015
Filed May 14, 2015

* Section 7 of House Bill No. 1003 was vetoed, see chapter 486.

CHAPTER 4

HOUSE BILL NO. 1004

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

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact section 43-29.1-03 of the North Dakota Century Code, relating to selection criteria for the veterinarian loan repayment program; to provide a statement of legislative intent; and to provide for legislative management studies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$54,757,510	\$7,877,277	\$62,634,787
Accrued leave payments	2,223,289	(2,223,289)	0
Operating expenses	37,305,014	6,961,674	44,266,688
Capital assets	2,224,288	1,494,944	3,719,232
Grants	57,510,729	451,031	57,961,760
Tobacco prevention	5,544,251	1,365,926	6,910,177
WIC food payments	<u>24,659,861</u>	<u>(4,459,861)</u>	<u>20,200,000</u>
Total all funds	\$184,224,942	\$11,467,702	\$195,692,644
Less estimated income	<u>139,303,434</u>	4,867,530	<u>144,170,964</u>
Total general fund	\$44,921,508	\$6,600,172	\$51,521,680
Full-time equivalent positions	354.00	11.00	365.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Federal fiscal stimulus	\$155,000	\$0
EPA lawsuit contingency	500,000	0
Funding to contract for autopsies	480,000	0
Food and lodging licensing management system	110,000	0
Forensic examiner x-ray equipment	0	44,000
WIC system upgrade	0	1,712,110
Environmental equipment	0	<u>780,000</u>
Total all funds	\$1,245,000	\$2,536,110
Less estimated income	<u>265,000</u>	<u>2,200,110</u>
Total general fund	\$980,000	\$336,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The state department of health shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$250,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund, for the biennium beginning July 1, 2015, and ending June 30, 2017. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 4. AMENDMENT. Section 43-29.1-03 of the North Dakota Century Code is amended and reenacted as follows:

43-29.1-03. Veterinarian selection criteria - Eligibility for loan repayment.

1. In establishing the criteria regarding eligibility for loan repayment funds under this chapter, the state health council shall consider the applicant's:
 - a. Training in food animal veterinary medicine, ability, willingness to engage in food animal veterinary medicine, and the extent to which such services are needed in a selected community;
 - b. Commitment to serve in a community that is in need of a veterinarian;
 - c. Compatibility with a selected community;
 - d. Date of availability for service to the selected community; and
 - e. Competence and professional conduct.
2. An applicant selected to receive loan repayment funds under this chapter ~~must~~:
 - a. ~~Have~~Must have graduated from an accredited college of veterinary medicine; ~~and~~
 - b. ~~Be~~Must be licensed to practice veterinary medicine in this state; ~~and~~
 - c. Must be employed full-time in the private practice of veterinary medicine.
3. A selected applicant shall contract to provide full-time veterinary medicine services for two, three, or four years in one or more selected communities.

SECTION 5. LEGISLATIVE INTENT - GRANTS TO LOCAL PUBLIC HEALTH UNITS. It is the intent of the sixty-fourth legislative assembly that, of the funds provided for grants to local public health units in the grants line item in section 1 of this Act, \$250,000 from the general fund be made available for grants to local public health units serving non-oil-producing counties in the state during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. LEGISLATIVE INTENT - RURAL EMERGENCY MEDICAL SERVICES GRANT DISTRIBUTION. It is the intent of the sixty-fourth legislative assembly that, of the sum of \$7,500,000 provided for rural emergency medical services grants in the grants line item in section 1 of this Act, at least eighty-five

percent be distributed to emergency medical services providers that do not receive an oil impact grant during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA FORENSIC PATHOLOGY CENTER. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of the university of North Dakota acquiring the building that houses the university of North Dakota forensic pathology center. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - WASTE MANAGEMENT. During the 2015-16 interim, the legislative management shall consider studying onsite sewage disposal in the state, including areas of the state lacking environmental programs to address onsite sewage disposal, lack of uniform standards for disposal, regulation authority, and the impact of onsite sewage disposal and waste management on industry and the public. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

Approved April 30, 2015
Filed April 30, 2015

CHAPTER 5

HOUSE BILL NO. 1005

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

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission; to create and enact a new section to chapter 54-36 of the North Dakota Century Code, relating to the creation of an North Dakota American Indian business development office within the Indian affairs commission; and to repeal section 54-60-14 of the North Dakota Century Code, relating to the North Dakota American Indian business development office.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$852,869	\$80,170	\$933,039
Accrued leave payments	8,421	(8,421)	0
Operating expenses	<u>166,268</u>	<u>117,938</u>	<u>284,206</u>
Total general fund	\$1,027,558	\$189,687	\$1,217,245
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act.

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Information technology hardware	\$0	\$9,775
Total general fund	\$0	\$9,775

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The Indian affairs commission shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. A new section to chapter 54-36 of the North Dakota Century Code is created and enacted as follows:

North Dakota American Indian business development office.

A North Dakota American Indian business development office is established within the commission to assist North Dakota American Indian tribal and individual economic development representatives, businesses, and entrepreneurs with access to state and federal programs designed to assist these business interests. The commission

shall cooperate with the department of commerce in the administration of the office. The office shall provide services to assist in the formation of partnerships between American Indian and non-American Indian businesses. The commission may contract with a third party for the provision of services for the office. If the commission contracts with a third party under this section, all data and databases collected and created by the third party in performing services for the office are the property of the commission and the third party.

SECTION 4. REPEAL. Section 54-60-14 of the North Dakota Century Code is repealed.

Approved April 23, 2015
Filed April 23, 2015

CHAPTER 6

HOUSE BILL NO. 1006

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

AN ACT to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; and to create and enact a new section to chapter 2-05 of the North Dakota Century Code, relating to earnings of the aeronautics commission special fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$1,135,606	\$312,031	\$1,447,637
Accrued leave payments	10,772	(10,772)	0
Operating expenses	1,977,049	81,051	2,058,100
Capital assets	390,000	(90,000)	300,000
Grants	9,500,000	(2,000,000)	7,500,000
Total all funds	\$13,013,427	(\$1,707,690)	\$11,305,737
Less estimated income	12,463,427	(2,157,690)	10,305,737
Total general fund	\$550,000	\$450,000	\$1,000,000
Full-time equivalent positions	6.00	1.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Grants to airports	\$6,000,000	\$0
Total general fund	\$6,000,000	\$0

SECTION 3. A new section to chapter 2-05 of the North Dakota Century Code is created and enacted as follows:

Interest - Aeronautics special fund.

All money derived from the investment of the aeronautics commission special fund or any portion of the fund, including aircraft excise tax funds collected and received under chapter 57-40.5, must be credited to the aeronautics commission special fund.

Approved April 16, 2015

Filed April 16, 2015

CHAPTER 7

HOUSE BILL NO. 1007

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

AN ACT to provide an appropriation for defraying the expenses of the veterans' home; to provide an exemption; 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 veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,874,867	\$1,630,113	\$17,504,980
Accrued leave payments	458,196	(458,196)	0
Operating expenses	5,408,850	(97,850)	5,311,000
Capital assets	501,040	395,003	896,043
Total all funds	\$22,242,953	\$1,469,070	\$23,712,023
Less estimated income	15,081,100	(66,802)	15,014,298
Total general fund	\$7,161,853	\$1,535,872	\$8,697,725
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Demolition of old veterans' home	\$1,121,000	\$0
Shop addition	788,200	126,800
Irrigation system	0	83,000
Equipment	0	326,360
Total all funds	\$1,909,200	\$536,160
Less estimated income	1,348,700	405,330
Total general fund	\$560,500	\$130,830

The 2015-17 one-time funding amounts are not a part of the agency's base budget for the 2017-19 biennium. The veterans' home shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING. The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which

was continued into the 2011-13 biennium and the 2013-15 biennium under section 54-44.1-11 is not subject to the provisions of section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium for paying expenses of the veterans' home construction project.

SECTION 4. FUNDING TRANSFER - EXCEPTION - AUTHORIZATION.

Notwithstanding section 54-16-04, the veterans' home may transfer up to \$132,500 from the operating expenses line item to the capital assets line item, for the biennium beginning July 1, 2013, and ending June 30, 2015. The veterans' home shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 5. SHOP ADDITION PROJECT. The veterans' home may use up to \$788,200 from the Melvin Norgard memorial fund, litigation proceeds or other funds for the cost of construction of a shop addition for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. EMERGENCY. Sections 4 and 5 of this Act are declared to be an emergency measure.

Approved April 24, 2015
Filed April 24, 2015

CHAPTER 8

HOUSE BILL NO. 1008

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,874,989	\$862,201	\$6,737,190
Accrued leave payments	120,783	(120,783)	0
Operating expenses	1,428,445	146,807	1,575,252
Contingency	<u>156,000</u>	<u>(79,000)</u>	<u>77,000</u>
Total special funds	\$7,580,217	\$809,225	\$8,389,442
Full-time equivalent positions	29.00	1.00	30.00

Approved April 23, 2015
 Filed April 23, 2015

CHAPTER 9

HOUSE BILL NO. 1009

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

AN ACT to provide an appropriation for defraying the expenses of the state fair association; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$0	\$500,000	\$500,000
Premiums	546,000	24,000	570,000
Total general fund	\$546,000	\$524,000	\$1,070,000

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Repair flood damage	\$2,750,000	\$0
Asphalt overlay project	0	500,000
Total general fund	\$2,750,000	\$500,000

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The state fair association shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LEGISLATIVE MANAGEMENT STUDY - MAINTENANCE AND REPAIR OF STATE PROPERTY. During the 2015-16 interim, the legislative management shall consider studying the maintenance and repair of state property and the source of funds to be used for maintenance and repair costs. The study must review current processes being used by state agencies to identify and address maintenance and repairs of state property and the appropriateness of the source of funds being used for these maintenance and repair projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 4. EMERGENCY. The capital assets line item in section 1 of this Act is declared to be an emergency measure.

Approved April 28, 2015

Filed April 28, 2015

CHAPTER 10**HOUSE BILL NO. 1010**

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

AN ACT to provide an appropriation for defraying the expenses of the council on the arts; and to provide a report to the appropriations committees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$790,756	\$95,541	\$886,297
Accrued leave payments	7,933	(7,933)	0
Operating expenses	338,023	38,563	376,586
Grants	<u>2,102,307</u>	<u>125,000</u>	<u>2,227,307</u>
Total all funds	\$3,239,019	\$251,171	\$3,490,190
Less estimated income	<u>1,744,917</u>	<u>550</u>	<u>1,745,467</u>
Total general fund	\$1,494,102	\$250,621	\$1,744,723
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Update cultural guide	<u>\$10,000</u>	<u>\$0</u>
Total general fund	\$10,000	\$0

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The council on the arts shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 29, 2015

Filed April 30, 2015

CHAPTER 11

HOUSE BILL NO. 1011

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

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to provide for a transfer; to provide for legislative intent; and to provide for expense payments to highway patrol officers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$3,466,113	\$264,288	\$3,730,401
Field operations	48,596,777	7,311,926	55,908,703
Law enforcement training academy	1,682,043	(1,602,043)	80,000
Accrued leave payments	<u>1,110,651</u>	<u>(1,110,651)</u>	<u>0</u>
Total all funds	\$54,855,584	\$4,863,520	\$59,719,104
Less estimated income	<u>12,594,542</u>	467,999	13,062,541
Total general fund	\$42,261,042	\$4,395,521	\$46,656,563
Full-time equivalent positions	213.00	2.00	215.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Mobile radio equipment	\$0	\$626,000
Outdoor range upgrade	0	80,000
Skid car training system	0	66,000
New trooper startup costs	0	85,000
Emergency vehicle operations course and weapons training range	5,000,000	0
Emergency lighting equipment	672,000	0
Taser equipment	202,000	0
Trailer scale systems	150,000	0
Extraordinary repairs	<u>121,000</u>	<u>0</u>
Total all funds	\$6,145,000	\$857,000
Total special fund	<u>798,000</u>	<u>107,050</u>
Total general fund	\$5,347,000	\$749,950

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The highway patrol shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$6,687,330, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2015, and ending June 30, 2017. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

SECTION 5. LEGISLATIVE INTENT - RADIO COMMUNICATIONS. It is the intent of the sixty-fourth legislative assembly that the information technology department be responsible for the oversight of the installation of any radio communications equipment by an executive branch state agency. It is further the intent of the sixty-fourth legislative assembly that the information technology department develop a process to implement the recommendations of the North Dakota statewide radio system assessment and evolution study as presented to the statewide interoperability executive committee.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 12

HOUSE BILL NO. 1012

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

AN ACT to provide appropriations for defraying the expenses of the department of transportation; to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide for legislative management studies; to provide for a department of transportation study; to provide for a report to the legislative management; to provide for a report to the legislative council; to provide exemptions; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	379,785,753	1,107,696,960
Grants	<u>79,788,030</u>	<u>(16,870,000)</u>	<u>62,918,030</u>
Total all funds	\$1,379,179,434	\$395,036,585	\$1,774,216,019
Less estimated income	<u>1,379,179,434</u>	<u>394,976,585</u>	<u>1,774,156,019</u>
Total general fund	\$0	\$60,000	\$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
General fund transfer to highway fund	\$541,600,000	\$0
Enhanced state highway investments	1,161,600,000	503,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to public transportation fund	1,100,000	0
Airplane replacement	4,500,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing counties	120,000,000	0

Recreational road access	0	2,000,000
Vehicle registration and titling system replacement	0	2,500,000
Truck size and weight harmonization study	0	60,000
Total all funds	\$2,005,620,000	\$507,675,558
Total special funds	<u>541,600,000</u>	<u>507,615,558</u>
Total general fund	\$1,464,020,000	\$60,000

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The department of transportation shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$503,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - MOTOR COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 8. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and

unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oil-producing counties through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this section for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received an allocation of funding under section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014. The funding provided in this section is considered a one-time funding item.

SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 relating to size, width, and height restrictions, in order to ensure the state of North Dakota may harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations, including contingent funding

provided, a review of distribution and allocation formulas, and the public transportation providers use of the funds received from the distributions, allocations, and contingent funding, including uses for operating costs and capital asset purchases. The department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016.

SECTION 13. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND. The amount appropriated to the department of transportation from the highway-rail grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department highway-rail grade crossing safety projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of this Act. Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, and ending June 30, 2019, and may be expended only for enhanced state highway investments.

SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS. The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 16. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any other provisions of law, the department of transportation may repay the United States department of transportation for previous related expenditures out of current biennium appropriations so that the department may re-obligate the federal aid to other federal aid projects.

SECTION 17. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, ~~subject to the approval of the governor,~~ may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered under this section may extend five years and may be renewed in accordance with this section. At least one year before the end of each branch office contract term, the department shall consider entering contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The

department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 18. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall report to a committee designated by the legislative management, regarding the department's updated North Dakota state rail plan and the director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES. During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 21. APPLICATION. Section 17 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 13**HOUSE BILL NO. 1013**

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

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for transfers; to provide for distributions from permanent funds; to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to the exempt records for the value of property paid to the state abandoned property office; to amend and reenact section 57-62-05 of the North Dakota Century Code, relating to the timing of grant recommendations; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,157,015	\$966,501	\$6,123,516
Accrued leave payments	108,541	(108,541)	0
Operating expenses	1,925,863	93,774	2,019,637
Contingencies	200,000	(100,000)	100,000
Energy infrastructure and impact office	<u>700,826</u>	<u>(826)</u>	<u>700,000</u>
Total all funds	\$8,092,245	\$850,908	\$8,943,153
Less estimated income	<u>8,092,245</u>	<u>850,908</u>	<u>8,943,153</u>
Total general fund	\$0	\$0	\$0
Full-time equivalent positions	31.00	2.00	33.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Capital assets	\$65,550	\$0
Private lands study	50,000	0
Oil and gas impact grant fund distributions	239,299,174	0
Total all funds	\$239,414,724	\$0
Less estimated income	<u>239,414,724</u>	<u>0</u>
Total general fund	\$0	\$0

SECTION 3. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the board of university and school lands, the commissioner of university and school lands may transfer between the various line items in section 1 of this Act, including transfers

from the contingencies line item to all other line items. The commissioner shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 4. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2015, and ending June 30, 2017, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common schools	\$206,134,000
North Dakota state university	3,368,000
University of North Dakota	2,742,000
Youth correctional center	1,372,000
School for the deaf	1,180,000
State college of science	1,066,000
State hospital	1,078,000
Veterans' home	434,000
Valley City state university	570,000
North Dakota vision services - school for the blind	534,000
Mayville state university	382,000
Dakota college at Bottineau	78,000
Dickinson state university	78,000
Minot state university	78,000
Total	\$219,094,000

SECTION 5. A new section to chapter 44-04 of the North Dakota Century Code is created and enacted as follows:

Value of property paid or delivered to the administrator of the state abandoned property office - Exempt record.

A record of the value of property paid or delivered to the administrator of the state abandoned property office under section 47-30.1-17 is an exempt record.

SECTION 6. AMENDMENT. Section 57-62-05 of the North Dakota Century Code is amended and reenacted as follows:

57-62-05. Powers and duties of energy infrastructure and impact office director.

The energy infrastructure and impact office director shall:

1. Develop a plan for the assistance, through financial grants for services and facilities, of counties, cities, school districts, and other political subdivisions in coal development and oil and gas development impact areas.
2. Establish procedures and provide proper forms to political subdivisions for use in making application for funds for impact assistance as provided in this chapter.
3. Make grants disbursements to counties, cities, school districts, and other taxing districts for grants awarded by the board of university and school lands pursuant to chapter 15-01, as provided in this chapter and within the appropriations made for such purposes. In determining the amount of impact grants for which political subdivisions are eligible, consideration must be given to the amount of revenue to which such political subdivisions will be entitled

from taxes upon the real property of coal and oil and gas development plants and from other tax or fund distribution formulas provided by law.

4. Receive and review applications for impact assistance pursuant to this chapter.
5. Make recommendations, ~~not less than once each calendar quarter~~, to the board of university and school lands on grants to counties, cities, school districts, and other political subdivisions in oil and gas development impact areas based on identified needs, and other sources of revenue available to the political subdivision.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY - FEDERAL LEGISLATION REGARDING OAHE DAM. During the 2015-16 interim, the legislative management shall consider studying progress on the passage of federal legislation to return excess lands to the operation of the Oahe Dam in Emmons and Morton Counties, and to the state of North Dakota pursuant to section 1 of House Bill No. 1456, as approved by the sixty-fourth legislative assembly. The legislative management shall seek the input and assistance of representatives of Morton and Emmons Counties, as well as the army corp of engineers, in advancing the study and developing recommendations to achieve the passage of federal legislation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 8. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 14

HOUSE BILL NO. 1014

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

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide a contingent appropriation; to authorize transfers; to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a North Dakota financial center; to amend and reenact sections 54-17-40, 54-17-41, 54-17.5-02, and 57-38-01.32 of the North Dakota Century Code, section 22 of chapter 579 of the 2011 Session Laws, and section 9 of House Bill No. 1358, as approved by the sixty-fourth legislative assembly, relating to the housing incentive fund credits, the lignite research council, the use of the flex PACE program, and a transfer from the abandoned oil and gas well plugging and site reclamation fund; to provide exemptions; to provide legislative intent; to provide for transfers; to provide for contingent transfers; to provide for a report to the legislative council; to provide for reports to legislative management and appropriations committees; to provide a contingent effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,873,876	\$5,041,695	\$22,915,571
Accrued leave payments	347,696	(347,696)	0
Operating expenses	4,775,576	4,187,144	8,962,720
Capital assets	0	13,666,822	13,666,822
Grants	19,500,000	(14,500,000)	5,000,000
Grants - bond payments	19,809,969	(4,769,140)	15,040,829
Total all funds	\$62,307,117	\$3,278,825	\$65,585,942
Less estimated income	40,973,792	(10,354,023)	30,619,769
Total general fund	\$21,333,325	\$13,632,848	\$34,966,173
Full-time equivalent positions	98.75	23.00	121.75

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$51,523,916	\$7,018,385	\$58,542,301
Accrued leave payments	881,231	(881,231)	0
Capital assets	745,000	17,000,000	17,745,000
Total special funds	\$53,150,147	\$23,137,154	\$76,287,301
Full-time equivalent positions	179.50	2.00	181.50

Subdivision 3.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$29,141,750	\$7,137,148	\$36,278,898
Accrued leave payments	575,807	(575,807)	0
Operating expenses	21,796,000	5,531,000	27,327,000
Contingencies	400,000	100,000	500,000
Agriculture promotion	210,000	0	210,000
Total from mill and elevator fund	\$52,123,557	\$12,192,341	\$64,315,898
Full-time equivalent positions	135.00	12.00	147.00

Subdivision 4.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,434,877	\$310,157	\$7,745,034
Accrued leave payments	147,806	(147,806)	0
Operating expenses	3,791,758	(47,483)	3,744,275
Grants	29,533,050	(3,602,270)	25,930,780
Housing finance agency contingencies	100,000	0	100,000
Total special funds	\$41,007,491	(\$3,487,402)	\$37,520,089
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$21,333,325	\$13,632,848	\$34,966,173
Grand total special funds	187,254,987	31,488,070	218,743,057
Grand total all funds	\$208,588,312	\$45,120,918	\$253,709,230

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the grand total appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Oil-bearing rock study	\$80,000	\$0
Possible litigation	1,000,000	2,500,000
Core library - architect services	25,000	0
Temperature profiles study	50,000	0
Wide-bed plotter	5,800	0
Lignite research council grants	0	5,000,000
All-terrain vehicles	0	41,500
Aerial photography	0	104,143
Contract analysis	0	125,000
Digital conversion	0	100,000
Migration to RBDMS.net	0	250,000
Financial center project	0	17,000,000
Core library expansion project	0	13,625,322
Medical loan program	50,000,000	0
Housing incentive fund	15,400,000	0
Flood housing grants	<u>1,500,000</u>	<u>0</u>
Total all funds	\$68,060,800	\$38,745,965
Total special fund	<u>51,500,000</u>	<u>30,625,322</u>
Total general fund	\$16,560,800	\$8,120,643

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The industrial commission shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$15,040,829 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2015, and ending June 30, 2017:

North Dakota university system	\$8,368,836
North Dakota university system - energy conservation projects	491,161
Department of corrections and rehabilitation	1,279,524
Department of corrections and rehabilitation - energy conservation projects	16,206
State department of health	637,940
Job service North Dakota	427,131
Office of management and budget	664,952
Office of attorney general	765,483
State historical society	1,391,668
Parks and recreation department	73,592
Research and extension service	571,126
Veterans' home	<u>353,210</u>
Total	\$15,040,829

SECTION 4. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 4 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds

authorized by law to be issued by the state industrial commission for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. TRANSFER. The sum of \$930,000, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2015, and ending June 30, 2017, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - HOUSING INCENTIVE FUND. The Bank of North Dakota shall transfer the sum of \$5,000,000 from the Bank's current earnings and undivided profits to the housing incentive fund for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 8. CONTINGENT TRANSFER - BANK OF NORTH DAKOTA - HOUSING INCENTIVE FUND. The Bank of North Dakota shall transfer the sum of \$5,000,000 from the Bank's current earnings and undivided profits to the housing incentive fund for the period beginning July 1, 2015, and ending June 30, 2017, if the Bank's net income, reported in accordance with financial accounting standards board accounting standards, for the calendar year 2015 exceeds \$130,000,000. The funding provided in this section may be used only for housing incentive fund awards in cities with a population of fewer than 12,500 according to the last official decennial federal census.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$28,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$7,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. BANK OF NORTH DAKOTA - MEDICAL PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION PROGRAM. The Bank of North Dakota shall develop a medical partnership in assisting community expansion program to assist in

the financing of critical access hospital medical infrastructure projects, for the period beginning with the effective date of this Act, and ending June 30, 2017. The Bank shall adopt policies and procedures to implement this program. Notwithstanding section 6-09.14-03, the Bank may originate loans under this program or participate with a lead financial institution. Eligible projects that receive funding for an interest rate buydown under this program are not subject to the community commitment requirement in section 6-09.14-03, the maximum interest rate buydown limitation in subsection 4 of section 6-09.14-04, or the state grantor recipient reporting requirement in section 54-60.1-05.

SECTION 14. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated under this section also may be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 15. CONTINGENT APPROPRIATION - INDUSTRIAL COMMISSION FUNDING. The amount of \$556,260 from the general fund and five full-time equivalent positions included in subdivision 1 of section 1 of this Act may be spent only in accordance with provisions of this section if the monthly average drilling rig count exceeds one hundred forty drilling rigs. The industrial commission shall notify the office of management and budget and the legislative council each time one or more full-time equivalent positions is authorized to be hired. For purposes of this section, the "monthly average drilling rig count" means the number, rounded to the nearest whole number, calculated by dividing the sum of the daily drilling rig counts for a calendar month by the number of days in the month. Of the \$556,260 and the five full-time equivalent positions in this section, the industrial commission may spend funding and hire full-time equivalent positions, as follows:

1. \$166,878, of which \$126,072 is from the salaries and wages line item and \$40,806 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds one hundred forty drilling rigs.
2. In addition to the funding and full-time equivalent positions authorized in subsection 1, \$139,065, of which \$105,060 is from the salaries and wages line item and \$34,005 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds one hundred fifty-five drilling rigs.
3. In addition to the funding and full-time equivalent positions authorized in subsections 1 and 2, \$111,252, of which \$84,048 is from the salaries and

wages line item and \$27,204 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds one hundred seventy drilling rigs.

4. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 3, \$83,439, of which \$63,036 is from the salaries and wages line item and \$20,403 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds one hundred eighty-five drilling rigs.
5. In addition to the funding and full-time equivalent positions authorized in subsections 1 through 4, \$55,626, of which \$42,024 is from the salaries and wages line item and \$13,602 is from the operating expenses line item, and one full-time equivalent position if the monthly average drilling rig count exceeds two hundred drilling rigs.

SECTION 16. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

North Dakota financial center - Lease rates - Payments in lieu of taxes.

The North Dakota financial center is a building that is owned by the Bank of North Dakota and is adjacent to the building in which the Bank of North Dakota is housed. The Bank of North Dakota shall lease the space in the North Dakota financial center to other state agencies based on market rate lease prices. The Bank of North Dakota shall make payments in lieu of property taxes in the manner and according to the conditions and procedures that would apply if the building were privately owned.

SECTION 17. AMENDMENT. Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

54-17-40. (Effective through June 30, 2015~~2017~~) Housing incentive fund - Continuing appropriation - Report to budget section.

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.
2. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least twenty-five percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.

The annual allocation plan must give first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.

The second priority in the annual allocation plan must be to provide housing for individuals and families of low or moderate income. For purposes

of this second priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this second priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.

The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers. The housing finance agency shall report quarterly to the budget section of the legislative management on the progress being made to reduce the overall number of units owned, master leased, or subsidized by these entities. This report must include a listing of projects approved and number of units within those projects that provide housing for essential service workers.

3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:
 - a. New construction, rehabilitation, or acquisition of a multifamily housing project;
 - b. Gap assistance, matching funds, and accessibility improvements;
 - c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
 - d. Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.
4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.
5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.

SECTION 18. AMENDMENT. Section 54-17-41 of the North Dakota Century Code is amended and reenacted as follows:

54-17-41. (Effective through June 30, 20152017) Report.

Upon request, the housing finance agency shall report to the industrial commission on the activities of the housing incentive fund.

SECTION 19. AMENDMENT. Section 54-17.5-02 of the North Dakota Century Code is amended and reenacted as follows:

54-17.5-02. Lignite research council - Compensation - Appointment of members.

The industrial commission shall consult with the lignite research council established by executive order in matters of policy affecting the administration of the lignite research fund. Section 44-03-04 does not apply to members of the council appointed by the governor.

SECTION 20. AMENDMENT. Section 57-38-01.32 of the North Dakota Century Code is amended and reenacted as follows:

57-38-01.32. (Effective for the first two taxable years beginning after December 31, 20122014) Housing incentive fund tax credit.

1. A taxpayer is entitled to a credit as determined under this section against state income tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing incentive fund under section 54-17-40. The amount of the credit is equal to the amount contributed to the fund during the taxable year.
2. North Dakota taxable income must be increased by the amount of the contribution upon which the credit under this section is computed but only to the extent the contribution reduced federal taxable income.
3. The contribution amount used to calculate the credit under this section may not be used to calculate any other state income tax deduction or credit allowed by law.
4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess may be carried forward to each of the ten succeeding taxable years.
5. The aggregate amount of tax credits allowed to all eligible contributors is limited to ~~twenty~~thirty million dollars.
6. Within thirty days after the date on which a taxpayer makes a contribution to the housing incentive fund, the housing finance agency shall file with each contributing taxpayer, and a copy with the tax commissioner, completed forms that show as to each contribution to the fund by that taxpayer the following:
 - a. The name, address, and social security number or federal employer identification number of the taxpayer that made the contribution.
 - b. The dollar amount paid for the contribution by the taxpayer.
 - c. The date the payment was received by the fund.
7. To receive the tax credit provided under this section, a taxpayer shall claim the credit on the taxpayer's state income tax return in the manner prescribed by the tax commissioner and file with the return a copy of the form issued by the housing finance agency under subsection 6.

8. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38.
9. A passthrough entity making a contribution to the housing incentive fund under this section is considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

SECTION 21. AMENDMENT. Section 22 of chapter 579 of the 2011 Session Laws is amended and reenacted as follows:

SECTION 22. FLEX PACE PROGRAM USE. The Bank of North Dakota shall utilize the flex partnership in assisting community expansion program to assist in financing of affordable multifamily housing units for individuals in areas of North Dakota affected by oil and gas development, for the period beginning with the effective date of this Act and ending June 30, 2019.

SECTION 22. AMENDMENT. Section 9 of House Bill No. 1358, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

SECTION 9. APPROPRIATION TRANSFER - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND TO THE OIL AND GAS RESEARCH FUND - INDUSTRIAL COMMISSION. ~~Notwithstanding section 38-08-04.5, there is appropriated out of any moneys in the abandoned oil and gas well plugging and site reclamation fund in the state treasury, not otherwise appropriated, the office of management and budget shall transfer the sum of \$500,000, or so much of the sum as may be necessary, to the industrial commission from the abandoned oil and gas well plugging and site reclamation fund to the oil and gas research fund, for the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section at the request of the industrial commission. The industrial commission shall use the funding provided under this section for the purpose of conducting a pilot program involving the oil and gas research council in conjunction with research facilities in this state to determine the best techniques for remediating salt and any other contamination from the soil surrounding waste pits reclaimed by trenching between 1951 and 1984 in the north central portion of this state, for the biennium beginning July 1, 2015, and ending June 30, 2017. The industrial commission may not require a research facility to provide matching funds to participate in the program authorized under this section.~~

SECTION 23. HOUSING FINANCE AGENCY - FLOOD-IMPACTED HOUSING ASSISTANCE - EXEMPTION. The amount appropriated for flood-impacted housing assistance in section 4 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 24. INDUSTRIAL COMMISSION - POSSIBLE FEDERAL AGENCY LITIGATION - EXEMPTION. The amount appropriated for possible federal agency litigation in subdivision 1 of section 1 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 25. INDUSTRIAL COMMISSION - CORE LIBRARY EXPANSION PROJECT - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The capital assets line item in subdivision 1 of section 1 of this Act includes \$13,625,322 from the strategic investment and improvements fund for the purpose of expanding the core library. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2017, and ending June 30, 2019. The industrial commission shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the core library project, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project.

SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT. The capital assets line item in subdivision 2 of section 1 of this Act includes \$17,000,000 from the assets of the Bank of North Dakota for the purpose of constructing a North Dakota financial center on a site adjacent to the existing building in which the Bank is located. The Bank may spend the funding only if the Bank's net income, reported in accordance with financial accounting standards board accounting standards, for calendar year 2015 exceeds \$125,000,000. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available during the biennium beginning July 1, 2017, and ending June 30, 2019. The Bank of North Dakota shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the North Dakota financial center, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project.

SECTION 27. CONTINGENT EFFECTIVE DATE. Section 16 of this Act is effective only if the Bank of North Dakota's net income, reported in accordance with financial accounting standards board accounting standards, for calendar year 2015 exceeds \$125,000,000.

SECTION 28. EMERGENCY. The amount of \$13,625,322 from the strategic investment and improvements fund in the capital assets line item in subdivision 1 of section 1 of this Act for the core library expansion project and sections 7 and 13 of this Act are declared to be an emergency measure.

Approved May 12, 2015
Filed May 13, 2015

CHAPTER 15

HOUSE BILL NO. 1015

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

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide an appropriation to the legislative council; to provide for a legislative management study; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$175,467,210	\$46,766,631	\$222,233,841
Youth services	28,604,526	2,911,581	31,516,107
Accrued leave payments	<u>4,639,529</u>	<u>(4,639,529)</u>	<u>0</u>
Total all funds	\$208,711,265	\$45,038,683	\$253,749,948
Less estimated income	<u>30,936,922</u>	<u>7,425,784</u>	<u>38,362,706</u>
Total general fund	\$177,774,343	\$37,612,899	\$215,387,242
Full-time equivalent positions	814.29	22.00	836.29

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Security camera upgrade	\$0	\$202,500
Equipment	552,900	244,400
License plate issue	4,900,000	4,900,000
Capital projects	349,950	0
Information technology upgrades	652,900	616,144
Missouri River correctional center study	200,000	0
DOCSTARS maintenance	0	150,000
Extraordinary repairs	<u>1,683,296</u>	<u>1,425,267</u>
Total all funds	\$8,339,046	\$7,538,311
Less estimated income	<u>5,198,000</u>	<u>4,900,000</u>
Total general fund	\$3,141,046	\$2,638,311

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The department of corrections and rehabilitation shall report to

the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the legislative council for the purpose of obtaining consulting services to assist with a legislative management study of incarceration issues, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - INCARCERATION ISSUES. During the 2015-16 interim, the legislative management shall study pretrial services, sentencing alternatives, treatment options, and other related issues. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly. To conduct the study, legislative management shall create an incarceration issues committee consisting of:

1. Two members of the house appropriations committee;
2. Two members of the senate appropriations committee;
3. One member of the house judiciary committee;
4. One member of the senate judiciary committee; and
5. Other members serving in a nonvoting advisory capacity include:
 - a. Two district court judges appointed by the chief justice of the supreme court;
 - b. The chief justice of the state supreme court, or a designee of the chief justice;
 - c. One local law enforcement official appointed by the governor from a city with a population greater than 10,000, based on the most recent decennial census;
 - d. One local law enforcement official appointed by the governor from a city with a population less than 10,000, based on the most recent decennial census;
 - e. One state's attorney appointed by the attorney general from a county with a population of 10,000 or more, based on the most recent decennial census;
 - f. One state's attorney appointed by the attorney general from a county with a population of less than 10,000, based on the most recent decennial census;
 - g. The attorney general, or a designee of the attorney general;
 - h. The director of the department of corrections and rehabilitation; and
 - i. One member appointed by the director of the department of corrections and rehabilitation.

Legislative management shall select the chairman and vice chairman of the committee. The committee shall meet quarterly, at the times and places as determined by the chairman. The legislative council shall provide staff services for the committee.

SECTION 5. LEGISLATIVE INTENT - CONTRACT HOUSING AND PROGRAMMING. It is the intent of the sixty-fourth legislative assembly that the department of corrections and rehabilitation give priority for the use of funding appropriated for contract housing and programming to contract with in-state local and regional facilities for the placement of overflow inmates for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 28, 2015
Filed April 28, 2015

CHAPTER 16

HOUSE BILL NO. 1016

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

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$36,224,278	\$3,435,960	\$39,660,238
Accrued leave payments	1,479,868	(1,479,868)	0
Operating expenses	18,687,700	(5,175,043)	13,512,657
Capital assets	20,000	0	20,000
Grants	8,850,497	(3,446,171)	5,404,326
Workforce 20/20	1,541,924	37,912	1,579,836
Reed Act - Unemployment insurance computer modernization	<u>12,407,000</u>	<u>0</u>	<u>12,407,000</u>
Total all funds	\$79,211,267	(\$6,627,210)	\$72,584,057
Less estimated income	<u>77,301,032</u>	<u>(6,833,166)</u>	<u>70,467,866</u>
Total general fund	\$1,910,235	\$205,956	\$2,116,191
Full-time equivalent positions	250.76	(13.00)	237.76

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Federal stimulus funds	\$496,496	\$0
Oil and gas employment study	120,000	80,000
Virtual OneStop application	0	<u>9,500</u>
Total all funds	\$616,496	\$89,500
Total special funds	496,496	0
Total general fund	\$120,000	\$89,500

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special appropriation of \$12,407,000 in section 1 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 27, 2015
Filed April 27, 2015

CHAPTER 17**HOUSE BILL NO. 1017**

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

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,059,175	\$136,109	\$1,195,284
Accrued leave payments	10,698	(10,698)	0
Operating expenses	<u>1,749,023</u>	<u>3,744</u>	<u>1,752,767</u>
Total special funds	\$2,818,896	\$129,155	\$2,948,051
Full-time equivalent positions	5.00	0.00	5.00

Approved April 16, 2015
 Filed April 16, 2015

CHAPTER 18

HOUSE BILL NO. 1018

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

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to amend and reenact section 54-60-17 of the North Dakota Century Code, relating to workforce development; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$12,361,114	\$810,693	\$13,171,807
Accrued leave payments	243,767	(243,767)	0
Operating expenses	15,635,749	3,036,541	18,672,290
Capital assets	10,000	(10,000)	0
Grants	56,622,950	8,364,121	64,987,071
Discretionary funds	928,082	0	928,082
Workforce enhancement fund	0	1,000,000	1,000,000
Economic development initiatives	186,846	(186,846)	0
Flood impact grants/loans	0	12,859,869	12,859,869
Agricultural products utilization commission	3,240,494	78,117	3,318,611
Research North Dakota	0	4,500,000	4,500,000
North Dakota trade office	2,613,400	0	2,613,400
Entrepreneurship grants and vouchers	0	3,250,000	3,250,000
Partner programs	<u>2,022,044</u>	<u>200,000</u>	<u>2,222,044</u>
Total all funds	\$93,864,446	\$33,658,728	\$127,523,174
Less estimated income	51,707,386	22,812,087	74,519,473
Total general fund	\$42,157,060	\$10,846,641	\$53,003,701
Full-time equivalent positions	69.25	0.15	69.40

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Workforce enhancement fund	\$2,000,000	\$1,000,000
Flood impact grants/loans	18,358,866	12,859,869
Research North Dakota	12,000,000	4,500,000

Unmanned aircraft system	5,000,000	2,718,620
Base retention grants	1,500,000	1,500,000
Tourism large infrastructure grants	750,000	750,000
Visual North Dakota	250,000	0
Innovation grants	300,000	0
Federal fiscal stimulus	796,770	0
Enhanced use lease grant	2,500,000	7,500,000
Child care facility grants	0	2,250,000
Homeless shelter grants	0	1,500,000
Rural health services grant	0	0
Tribal community college grants	0	3,000,000
Nursing home grants	2,000,000	0
Value-added renewable energy study	500,000	0
Workforce recruitment campaign	0	300,000
Tourism midwest markets	0	1,000,000
Entrepreneurship grants and vouchers	0	1,750,000
Tourism international	0	247,836
Educators and industry externships	0	50,000
Total all funds	\$45,955,636	\$40,926,325
Less estimated income	23,655,636	21,359,869
Total general fund	\$22,300,000	\$19,566,456

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The department of commerce shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. BASE RETENTION GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$1,500,000 from the general fund for a base retention grant program to be developed by the department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017. The grant program must award direct grants and not cost reimbursement grants. The department may award grants of up to \$500,000 to each community with an air force base or air national guard facilities.

SECTION 4. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED USE LEASE GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$7,500,000 from the strategic investment and improvements fund for an enhanced use lease grant program to be developed by the department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure required for an enhanced use lease private sector business development project located on or adjacent to the Grand Forks air force base. The department may award up to \$3,100,000, or additional amounts as necessary, for taxi-way reconnection and alert pad refurbishment after an agreement is reached for the first private sector single-tenant or multitenant building on the property. Remaining funds may also be awarded either after an agreement is reached for a second private sector single-tenant or multitenant building on the property or after an agreement is reached with any data intensive tenant for data connectivity and redundancy infrastructure requirements or for data services, such as analysis, modeling, or storage, to be provided to tenants or prospective tenants. The department of commerce shall establish accountability requirements for grants awarded under this section.

SECTION 5. CHILD CARE FACILITY GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$2,250,000 from the general fund for a child care facility grant program to be developed by the department of commerce, for

the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to qualify for a grant under this section which must include a matching requirement one dollar of matching funds for every three dollars of grant funds and a maximum grant amount of \$187,500.

SECTION 6. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM - EXEMPTION. Section 1 of this Act includes the sum of \$3,250,000, of which \$3,100,000 is from the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher program to be developed and administered by the department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to provide grants to entrepreneurial centers certified by the department. The department shall provide a \$300,000 grant to a nonprofit organization entrepreneurial center assisting individuals with business ideas located in the city where the state capitol is located and provide a \$300,000 grant to each of the two entrepreneurial centers associated with a research university located in a city with a population of at least 50,000 according to the most recent decennial census. The department also shall establish guidelines to award vouchers to entrepreneurs to procure business development assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working with an entrepreneurial center. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 7. UNMANNED AIRCRAFT SYSTEMS PROGRAM. The grants line item in section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used as matching funds to incentivize private sector business development related to the test site. Matching funds provided under this section are not a business incentive under chapter 54-60.1.

SECTION 8. TRIBAL COLLEGE GRANTS. The grants line item in section 1 of this Act includes the sum of \$3,000,000 for tribal college grants, \$2,000,000 of which is from the general fund and \$1,000,000 is from the student loan trust fund, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 9. DEPARTMENT OF COMMERCE GRANT - ART AND GALLERY ASSOCIATION. Of the funds appropriated in the discretionary funds line item in section 1 of this Act, the department shall use \$150,000 from the general fund to provide a grant to an arts and gallery association located in the city where the state capitol is located.

SECTION 10. APPROPRIATION - ADJUTANT GENERAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of coordinating and conducting joint training, involving the department of emergency services, federal health and human services' disaster mortuary operational response team, and other state and local emergency personnel, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 11. DAKOTA DAY TRIPS PUBLICATION. The department of commerce shall use up to \$15,000 of the funding appropriated in the operating expenses line item in section 1 of this Act for expenses relating to the printing of the Dakota day trips publication.

SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total North Dakota trade office special line item and the general fund appropriation in section 1 of this Act include \$2,613,400 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2015, and ending June 30, 2017. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 13. TRANSFER - WORKFORCE ENHANCEMENT FUND. The office of management and budget shall transfer the amount appropriated in the workforce enhancement fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$1,550,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the period beginning with the effective date of this Act and ending June 30, 2017.

SECTION 15. TRANSFER - RESEARCH NORTH DAKOTA FUND. The office of management and budget shall transfer the amount appropriated in the research North Dakota line item in section 1 of this Act to the research North Dakota fund for the purpose of implementing and administering the research North Dakota grant program, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall make available \$1,000,000 of the funds transferred to the research North Dakota fund for research North Dakota for grants to conduct research on and commercialization for the prevention of, treatment of, or cure for viral diseases, cancer, and other pathogens, for the period beginning July 1, 2015, and ending December 31, 2016. If the grants are not awarded by December 31, 2016, the funds must be made available for other authorized purposes of research North Dakota.

SECTION 16. TRANSFER - CENTERS OF EXCELLENCE FUND. After the close of the biennium ending June 30, 2015, the office of management and budget shall transfer any unobligated funds remaining in the centers of excellence fund to the research North Dakota fund.

SECTION 17. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 18. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 19. EXEMPTION. The amount appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any

unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 20. EXEMPTION. The amount appropriated for the child care facility grants in section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 21. EXEMPTION. The amount appropriated for the unmanned aircraft systems program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 22. EXEMPTION. The amount appropriated for the tribal college grants in section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 23. EXEMPTION. Any amount continued pursuant to section 27 of chapter 49 of the 2013 Session Laws, relating to the antiballistic missile site acquisition grant and base realignment grant, that is unexpended as of June 30, 2015, up to \$600,000, is not subject to section 54-44.1-11 and is available during the biennium beginning July 1, 2015, and ending June 30, 2017. The department of commerce may use funds only for the purpose awarding a grant to assist in the acquisition and development of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma.

SECTION 24. AMENDMENT. Section 54-60-17 of the North Dakota Century Code is amended and reenacted as follows:

54-60-17. Division of workforce development - Internships, apprenticeships, and work experience opportunities.

The division of workforce development shall administer a program to increase use of internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in grade eleven or twelve, and educators. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase internship, apprenticeship, and work experience opportunities. The department shall maintain records of the number of internship, apprenticeship, and work experience opportunities subsidized within each funding recipient.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CIVILIAN GROUND CENTER FOR PROCESSING FIRST RESPONDER DATA. During the 2015-16 interim, the legislative management shall consider studying issues related to the state's development of a civilian ground center. The issues include: deployable pilots, sensor operators, and aircraft; a central location for processing first responder data, including high definition, high-spectral, infrared, and thermal imagery, as well as electronic signals through cell phones and internet service, generated from the deployment of unmanned aircraft and unmanned systems by first responders during federal, state, and local government responses to emergencies, natural disasters, emergency preparedness, and law enforcement activities; training services; data management, data analysis, data interpretation and information routing approximating a real-time basis; and a repository of data and best practices for first responders at federal, state, and local levels. The legislative management shall report its findings

and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

Approved April 29, 2015

Filed April 30, 2015

CHAPTER 19

HOUSE BILL NO. 1019

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

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,669,943	\$433,561	\$5,103,504
Accrued leave payments	96,477	(96,477)	0
Operating expenses	1,253,339	0	1,253,339
Grants	31,063,698	1,479,564	32,543,262
Grants - postsecondary	847,452	(140,000)	707,452
Adult farm management	749,802	(50,000)	699,802
Workforce training	<u>3,000,000</u>	<u>0</u>	<u>3,000,000</u>
Total all funds	\$41,680,711	\$1,626,648	\$43,307,359
Less estimated income	<u>10,287,795</u>	<u>(589,908)</u>	<u>9,697,887</u>
Total general fund appropriation	\$31,392,916	\$2,216,556	\$33,609,472
Full-time equivalent positions	27.00	(0.50)	26.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Workforce training	<u>\$1,000,000</u>	<u>\$0</u>
Total general fund	\$1,000,000	\$0

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The state board for career and technical education shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 24, 2015
Filed April 24, 2015

CHAPTER 20

HOUSE BILL NO. 1020

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

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-05.1-05, 4-08-10, 57-39.5-02, and 57-43.1-03.1 of the North Dakota Century Code, relating to North Dakota state university main research center full-time equivalent positions, North Dakota state university extension service full-time equivalent positions, the transfer of revenue from the farm machinery gross receipts tax, and fuel tax refunds; to authorize the Langdon research extension center to purchase certain land in Cavalier County; to provide for a report to the legislative assembly, the budget section, and the appropriations committees; to provide for transfers; to provide for a legislative management study; to provide for exemptions; 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$48,867,985	\$5,534,111	\$54,402,096
Soil conservation committee	1,137,800	75,000	1,212,800
Accrued leave payments	<u>1,716,289</u>	<u>(1,716,289)</u>	<u>0</u>
Total all funds	\$51,722,074	\$3,892,822	\$55,614,896
Less estimated income	<u>23,897,809</u>	<u>1,928,899</u>	<u>25,826,708</u>
Total general fund	\$27,824,265	\$1,963,923	\$29,788,188
Full-time equivalent positions	258.26	5.65	263.91

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$3,719,827	\$130,066	\$3,849,893
Accrued leave payments	42,195	(42,195)	0
Total all funds	\$3,762,022	\$87,871	\$3,849,893
Less estimated income	1,797,161	(49,426)	1,747,735
Total general fund	\$1,964,861	\$137,297	\$2,102,158
Full-time equivalent positions	12.00	0.00	12.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Upper great plains transportation institute	\$25,038,160	(\$2,015,404)	\$23,022,756
Accrued leave payments	241,627	(241,627)	0
Total all funds	\$25,279,787	(\$2,257,031)	\$23,022,756
Less estimated income	22,452,963	(4,277,306)	18,175,657
Total general fund	\$2,826,824	\$2,020,275	\$4,847,099
Full-time equivalent positions	53.75	1.23	54.98

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$102,691,843	\$34,474,294	\$137,166,137
Accrued leave payments	2,561,394	(2,561,394)	0
Total all funds	\$105,253,237	\$31,912,900	\$137,166,137
Less estimated income	53,053,716	25,044,809	78,098,525
Total general fund	\$52,199,521	\$6,868,091	\$59,067,612
Full-time equivalent positions	351.49	2.36	353.85

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$6,116,621	\$1,241,540	\$7,358,161
Central grasslands research center	3,229,867	452,700	3,682,567
Hettinger research center	4,661,729	589,459	5,251,188
Langdon research center	2,832,495	344,621	3,177,116
North central research center	4,582,677	604,264	5,186,941
Williston research center	3,766,986	1,707,104	5,474,090
Carrington research center	7,892,494	1,693,020	9,585,514
Accrued leave payments	503,916	(503,916)	0
Total all funds	\$33,586,785	\$6,128,792	\$39,715,577
Less estimated income	16,001,083	3,816,047	19,817,130

Total general fund	\$17,585,702	\$2,312,745	\$19,898,447
Full-time equivalent positions	107.04	6.90	113.94

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,466,018	\$54,989	\$1,521,007
Accrued leave payments	5,741	(5,741)	0
Total special funds	\$1,471,759	\$49,248	\$1,521,007
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$102,401,173	\$13,477,331	\$115,878,504
Grand total special funds	118,674,491	26,687,271	145,361,762
Grand total all funds	\$221,075,664	\$40,164,602	\$261,240,266

SECTION 2. ONE TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Agronomy laboratories	\$5,925,000	\$150,000
Extension 4-H camp renovation	1,900,000	0
Feed mill equipment	100,000	0
Video conference equipment	110,000	0
Upper great plains transportation institute state match for federal funds	1,250,000	0
Diagnostic equipment	400,000	0
Upper great plains transportation institute road study	0	750,000
Junior master gardener program	25,000	12,500
Rural leadership project	0	150,000
Dust issues technical support	0	100,000
Seed cleaning plants	0	4,500,000
Veterinary diagnostics laboratory	0	18,000,000
Flooded lands study	82,000	72,500
Total all funds	\$9,792,000	\$23,735,000
Total other funds	950,000	21,150,000
Total general fund	\$8,842,000	\$2,585,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The main research center shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and

donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in this Act, grant, gift, or donation, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. ACQUISITION OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of agricultural research and education, may acquire certain real property in Cavalier County to be used for the purposes of the Langdon research extension center on the terms and for a price as approved by the board, but not to exceed \$350,000 nor the appraised value of the property. The board may purchase the northeast $\frac{1}{4}$ of section 19 of township 161 north, range 59 west.

SECTION 5. APPROPRIATION - LANGDON RESEARCH EXTENSION CENTER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$175,000, and from special funds, the sum of \$175,000, or so much of the sum as may be necessary, to the Langdon research extension center for the purpose of purchasing the real property described in section 4 of this Act, for the period beginning with the effective date of this section, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 6. MAIN RESEARCH CENTER - VETERINARY DIAGNOSTICS LABORATORY - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The main research center line item in subdivision 4 of section 1 of this Act includes \$18,000,000 from the strategic investment and improvements fund for the veterinary diagnostics laboratory project.

SECTION 7. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-05.1-05. North Dakota state university main research center position adjustments - Budget section report.

The North Dakota state university main research center must be located on the campus of North Dakota state university of agriculture and applied science. The center is the administrative location of the agricultural experiment station. The center shall conduct research and coordinate all research activities of the agricultural experiment station. The research must have, as a purpose, the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. Subject to the availability of funds, the station director may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the agricultural experiment station. All full or partial positions must be separate from North Dakota state university. Annually, the station director shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section. The center may conduct baseline research, including production and processing in conjunction with the research and extension centers of the state, regarding industrial hemp and other alternative industrial use crops. The center may collect feral hemp seed stock and develop appropriate adapted strains of industrial hemp which contain less than three-tenths of one percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall monitor the collection of feral hemp seed stock and industrial hemp strain development and shall certify appropriate stocks for licensed commercial cultivation.

SECTION 8. AMENDMENT. Section 4-08-10 of the North Dakota Century Code is amended and reenacted as follows:

4-08-10. Extension agent to submit monthly account of expenditures - Position adjustments - Budget section report.

The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service subject to the supervision of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university. Subject to the availability of funds, the director of the North Dakota state university extension service may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the extension service. All full- or part-time positions must be separate from North Dakota state university. Annually, the director of the North Dakota state university extension service shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section.

SECTION 9. AMENDMENT. Section 57-39.5-02 of the North Dakota Century Code is amended and reenacted as follows:

57-39.5-02. Imposition - Transfer of funds - Exemptions.

There is imposed a tax of three percent upon the gross receipts of retailers from all sales at retail, including the leasing or renting, of farm machinery or irrigation equipment used exclusively for agricultural purposes. After July first of each year, five hundred thousand dollars of taxes collected under this chapter must be transferred to the state treasurer who shall deposit the moneys in the agricultural research fund. Gross receipts from sales at retail of farm machinery or irrigation equipment are exempted from the tax imposed by this chapter when the sale, lease, or rental is made to a purchaser or lessor who is entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04 on otherwise taxable sales at retail. There are specifically exempted from the tax imposed by this chapter the gross receipts from the sale, lease, or rental of used farm machinery, farm machinery repair parts, used irrigation equipment, or irrigation equipment repair parts used exclusively for agricultural purposes. For purposes of this section, "used" means:

1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous sale;
2. Tax under section 57-39.5-06 has been paid under a previous lease;
3. Originally purchased outside this state and previously owned by a farmer; or
4. Has been under rental for three years or more.

SECTION 10. AMENDMENT. Section 57-43.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.1. Refund of tax for fuel used for agricultural purposes -- Reductions.

Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. ~~The amount of the tax refund under this section must be reduced by seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. The amount per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.~~

SECTION 11. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2015-17 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 12. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the sixty-fifth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2013, and ending June 30, 2015, and the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. MAIN RESEARCH CENTER - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE - FTE POSITIONS - REPORT. The main research center and the North Dakota state university extension service shall report to the appropriations committees of the sixty-fifth legislative assembly on full-time equivalent positions added pursuant to sections 4-05.1-05 and 4-08-10 of the North Dakota Century Code and section 15 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 15. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 16. MAIN RESEARCH CENTER - FLOODED LANDS STUDY - BUDGET SECTION REPORT. The main research center shall report to the budget section of the legislative management regarding the status of the flooded lands study and spending related to the study, during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE UNDER DEPARTMENT OF TRANSPORTATION. During the 2015-16 interim, the legislative management shall consider studying the feasibility of placing the upper great plains transportation institute under the administrative authority of the department of transportation. If conducted, the study must identify potential efficiencies, potential issues, and current services or benefits provided to the upper great plains transportation institute by North Dakota state university. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 18. UNEXPENDED GENERAL FUND - EXCESS INCOME - EXEMPTION. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 19. EXEMPTION. The amounts appropriated for the agronomy laboratories contained in subdivision 4 of section 1 of chapter 51 of the 2013 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 20. EXEMPTION. The amounts appropriated for the Extension 4-H camp contained in subdivision 1 of section 1 of chapter 51 of the 2013 Session Laws are not subject to the provision of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 21. EMERGENCY. The appropriation for capital projects of \$22,650,000 in subdivision 4 of section 1 and sections 4 and 5 of this Act are declared to be an emergency measure.

Approved May 13, 2015
Filed May 14, 2015

CHAPTER 21

HOUSE BILL NO. 1021

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

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to provide appropriations to certain agencies for desktop support services; to provide a legislative report; to provide a statement of legislative intent; to provide for transfers; to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact the new section to chapter 54-59 of the North Dakota Century Code as created by section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, relating to the mandatory disclosure of information to the information technology department.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$51,553,251	\$6,559,964	\$58,113,215
Accrued leave payments	2,626,084	(2,626,084)	0
Operating expenses	64,734,643	6,262,534	70,997,177
Capital assets	12,500,600	(3,650,600)	8,850,000
Center for distance education	5,868,391	3,378,214	9,246,605
Statewide longitudinal data system	1,870,754	4,879,907	6,750,661
Educational technology council	1,614,609	1,091,338	2,705,947
EduTech	8,052,094	1,247,897	9,299,991
K-12 wide area network	4,928,177	75,271	5,003,448
Geographic information system	1,245,294	26,044	1,271,338
Health information technology office	4,750,723	1,129,921	5,880,644
Criminal justice information sharing	3,069,361	(3,069,361)	0
Federal stimulus funds	<u>6,800,000</u>	<u>(6,800,000)</u>	<u>0</u>
Total all funds	\$169,613,981	\$8,505,045	\$178,119,026
Less estimated income	<u>149,674,553</u>	<u>2,038,486</u>	<u>151,713,039</u>
Total general fund	\$19,939,428	\$6,466,559	\$26,405,987
Full-time equivalent positions	340.30	10.00	350.30

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET- REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Criminal justice information sharing projects	\$800,000	0
Educational technology council grants	200,000	1,050,000
Archiving study	100,000	0
Health data study	0	500,000
Statewide longitudinal data system	0	1,250,000
Geographic information system projects	<u>215,000</u>	<u>0</u>
Total all funds	\$1,315,000	\$2,800,000
Less estimated income	<u>0</u>	<u>500,000</u>
Total general fund	\$1,315,000	\$2,300,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The information technology department shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. HEALTH DATA STUDY - REPORT TO INFORMATION TECHNOLOGY COMMITTEE. The health information technology office line item includes the sum of \$500,000, from special funds, federal funds, or other funds, for the purpose of hiring a consultant to provide a health data study, for the biennium beginning July 1, 2015, and ending June 30, 2017. Before July 1, 2016, the information technology department shall report the findings of the consultant to the information technology committee.

SECTION 4. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects.

SECTION 5. LEGISLATIVE INTENT - RADIO COMMUNICATIONS. It is the intent of the sixty-fourth legislative assembly that the information technology department be responsible for the oversight of the installation of any statewide radio communications equipment by an executive branch state agency in the most cost-effective manner. It is further the intent of the sixty-fourth legislative assembly that the information technology department develop a process to implement the recommendations of the North Dakota statewide radio system assessment and evolution study as presented to the statewide interoperability executive committee.

⁷ **SECTION 6. AMENDMENT.** The new section to chapter 54-59 of the North Dakota Century Code as created by section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

State agencies - Mandatory provision of information - Confidentiality.

1. The information technology department may request from any state agency:
 - a. All information required by 20 U.S.C. 9871(e)(2)(D); and
 - b. Any other educational information the statewide longitudinal data system committee determines is required for a longitudinal data system to comply with state or federal law; and

⁷ Section 54-59-39 was created by section 8 of Senate Bill No. 2326, chapter 141.

- c. Unemployment insurance wage data from job service North Dakota for education and workforce development program evaluations, except that job service North Dakota may not disclose any data identifying an individual.
2. Subject to applicable restrictions on the use and disclosure of confidential information required to comply with federal and state privacy laws, any state agency receiving a request for information under subsection 1 shall provide the information at the time and in the manner required by the information technology department.

SECTION 7. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Required use of centralized desktop support services.

1. The following state agencies shall obtain centralized desktop support services from the information technology department:
 - a. Office of administrative hearings.
 - b. Office of the governor.
 - c. Commission on legal counsel for indigents.
 - d. Public employees retirement system.
 - e. North Dakota university system office.
 - f. Department of career and technical education.
 - g. Department of financial institutions.
 - h. Department of veterans' affairs.
 - i. Aeronautics commission.
 - j. Tobacco prevention and control executive committee.
 - k. Council on the arts.
 - l. Agriculture commissioner.
 - m. Department of labor and human rights.
 - n. Indian affairs commission.
 - o. Protection and advocacy project.
 - p. Secretary of state.
 - q. State treasurer.
 - r. State auditor.
 - s. Securities department.

2. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of desktop support services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service. For purposes of this section "desktop support services" means technical assistance and device management relating to the use of personal computers and peripheral devices.

SECTION 8. APPROPRIATION - DESKTOP SUPPORT. 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 and other income to the agencies named for the purpose of defraying the expenses of desktop support services provided by the information technology department, for the biennium beginning July 1, 2015, and ending June 30, 2017.

<u>Agency</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Office of administrative hearings	\$0	\$17,600	\$17,600
Office of the governor	97,760	0	97,760
Commission on legal counsel for indigents	214,855	0	214,855
Public employees retirement system	0	152,950	152,950
North Dakota university system office	175,350	0	175,350
Department of career and technical education	210,590	0	210,590
Department of financial institutions	0	66,325	66,325
Department of veterans' affairs	34,635	0	34,635
Aeronautics commission	0	17,090	17,090
Total	\$733,190	\$253,965	\$987,155

SECTION 9. ONE-TIME FUNDING. The following amounts reflect the 2015-17 one-time funding items included in the appropriations in section 8 of this Act:

<u>Agency - One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>
Office of administrative hearings	\$0	\$14,040
Office of the governor	45,200	0
Commission on legal counsel for indigents	122,275	0
Public employees retirement system	0	77,370
North Dakota university system office	81,750	0
Department of career and technical education	106,750	0
Department of financial institutions	0	66,325
Department of veterans' affairs	26,895	0
Aeronautics commission	0	14,810
Total	\$382,870	\$172,545

Approved April 29, 2015
 Filed April 30, 2015

CHAPTER 22

HOUSE BILL NO. 1022

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

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents; to amend and reenact subsection 6 of section 54-61-01 of the North Dakota Century Code, relating to the commission on legal counsel for indigents; and to provide for a report to the sixty-fifth legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Commission on legal counsel for indigents	\$14,304,404	\$5,891,758	\$20,196,162
Accrued leave payments	<u>116,872</u>	<u>(116,872)</u>	<u>0</u>
Total all funds	\$14,421,276	\$5,774,886	\$20,196,162
Less special funds	<u>2,497,866</u>	<u>(390,952)</u>	<u>2,106,914</u>
Total general fund	\$11,923,410	\$6,165,838	\$18,089,248
Full-time equivalent positions	33.00	7.00	40.00

SECTION 2. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CONTRACT SERVICE FEES. The commission on legal counsel for indigents line item in section 1 of this Act, includes the sum of \$200,000 from the strategic investment and improvements fund for contract service fees. The funding provided is considered a one-time funding item.

SECTION 3. AMENDMENT. Subsection 6 of section 54-61-01 of the North Dakota Century Code is amended and reenacted as follows:

6. A member of the commission is entitled to reimbursement for travel and expenses as provided by law for other state officers. If not otherwise employed by the state of North Dakota, a member is entitled to receive per diem compensation of sixty-two dollars and fifty cents for each day devoted to attending meetings or performing other duties relating to the official business of the commission. A member of the commission who is a member of the legislative assembly is entitled to receive per diem compensation at the rate as provided under section 54-35-10 for each day devoted to attending meetings or performing other duties relating to the official business of the commission. The legislative council shall pay the per diem compensation and reimbursement for travel and expenses as provided by law for any member of the commission who is a member of the legislative assembly.

SECTION 4. ELIGIBILITY FOR SERVICES - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The commission on legal counsel for indigents shall report to the sixty-fifth legislative assembly regarding the effectiveness of limits and procedures used to ensure that defense services are provided only to indigent clients.

Approved April 29, 2015

Filed April 30, 2015

CHAPTER 23**HOUSE BILL NO. 1023**

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$551,862	\$21,872	\$573,734
Accrued leave payments	3,789	(3,789)	0
Total all funds	\$555,651	\$18,083	\$573,734
Less estimated income	166,407	(7,677)	158,730
Total general fund	\$389,244	\$25,760	\$415,004
Full-time equivalent positions	2.00	0.00	2.00

Approved April 16, 2015

Filed April 16, 2015

CHAPTER 24**HOUSE BILL NO. 1024**

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

AN ACT to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for a legislative management report.

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 tobacco prevention and control trust fund, not otherwise appropriated, to the comprehensive tobacco control advisory committee for the purpose of defraying the expenses of the committee, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Comprehensive tobacco control	\$15,807,437	\$740,602	\$16,548,039
Accrued leave	<u>8,391</u>	<u>(8,391)</u>	<u>0</u>
Total special funds	\$15,815,828	\$732,211	\$16,548,039
Full-time equivalent positions	8.00	0.00	8.00

SECTION 2. REPORT TO THE LEGISLATIVE MANAGEMENT - TOBACCO PREVENTION AND CONTROL GRANT TO THE STATE DEPARTMENT OF HEALTH. The comprehensive tobacco control advisory committee and the state department of health shall report to the legislative management by September 1, 2016, regarding grant expenditures, the granting process, and reporting requirements of the \$500,000 grant, included in the funding appropriated in section 1 of this Act, to be provided to the state department of health during the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 23, 2015
Filed April 23, 2015

CHAPTER 25

HOUSE BILL NO. 1025

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

AN ACT to provide an appropriation for defraying the expenses of the department of veterans' affairs; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	\$1,410,580	\$365,298	\$1,775,878
Contingent service dogs	0	25,000	25,000
Transport vans	0	15,000	15,000
Accrued leave payments	10,123	(10,123)	0
Total all funds	\$1,420,703	\$395,175	\$1,815,878
Less estimated income	0	288,018	288,018
Total general fund	\$1,420,703	\$107,157	\$1,527,860
Full-time equivalent positions	8.00	1.00	9.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Website	\$15,000	\$0
Vans	30,000	0
Service dogs	0	25,000
Contingent service dogs	0	25,000
General fund transfer	250,000	0
Total general fund	\$295,000	\$50,000

SECTION 3. EXEMPTION. The amount appropriated for veteran service dog training in section 1 of chapter 60 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. CONTINGENT FUNDING - SERVICE DOGS. Funding provided in the contingent service dogs line item in section 1 of this Act includes \$25,000 from the general fund for service dogs to assist North Dakota veterans with posttraumatic stress disorder. The department of veterans' affairs may spend these funds subject to:

1. The dogs having completed service dog training;
2. Eligible veterans having been approved to receive the service dogs; and
3. Budget section approval.

Approved April 28, 2015

Filed April 28, 2015

CHAPTER 26

HOUSE BILL NO. 1046

(Legislative Management)
(Human Services Committee)

AN ACT to provide an appropriation to the department of human services for costs relating to expanded traumatic brain injury programming; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - EXPANDED BRAIN INJURY SERVICES - REPORTS TO THE LEGISLATIVE MANAGEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$375,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing life skill services, including an evidence-based return-to-work model, provided for individuals with a traumatic brain injury, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department of human services shall report to the legislative management on the use of the funds under this section by July 1, 2016.

SECTION 2. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - TRAUMATIC BRAIN INJURY REGIONAL RESOURCE COORDINATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of human services for the purpose of coordinating services for individuals with traumatic brain injury in each human service region, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department may contract for the provision of services under this section.

Approved April 27, 2015
Filed April 27, 2015

CHAPTER 27**HOUSE BILL NO. 1139**

(Appropriations Committee)

(At the request of the State Board of Higher Education)

AN ACT to authorize the issuance of revenue bonds for improvements to Woods Hall on the Dickinson state university campus and for acquiring properties for student housing near the campus; to provide an appropriation for defraying the expenses of improvements to Woods Hall and for acquiring properties for student housing near the campus; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BOND ISSUANCE - AUTHORIZATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 2 of this Act for the following capital projects:

Dickinson state university - Woods Hall	\$6,100,000
Dickinson state university - Acquisition of Miller Apartments, Altringer Apartments, and Bosch Apartments for student housing	<u>3,500,000</u>
Total	\$9,600,000

SECTION 2. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds, bond proceeds, and other income, to Dickinson state university under the supervision of the state board of higher education for the purpose of defraying the expenses of improvements to Woods Hall and to purchase student housing properties beginning with the effective date of this Act and ending June 30, 2017, as follows:

Capital assets	<u>\$11,500,000</u>
Total special funds	\$11,500,000

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 29, 2015

Filed April 30, 2015

CHAPTER 28

HOUSE BILL NO. 1201

(Representatives Beadle, Nathe, Oversen, Sanford)
(Senators Flakoll, Larsen)

AN ACT to provide an appropriation for commendatory grants to eligible higher education faculty members.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - COMMENDATORY GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,800, or so much of the sum as may be necessary, to the state board of higher education for the purpose of providing commendatory grants to eligible faculty members, for the biennium beginning July 1, 2015, and ending June 30, 2017.

1. The state board of higher education shall call for applications and nominations in order to recognize and commend faculty members at institutions of higher education under the control of the state board. The recognition and commendation must be based on the innovative use of technology in the delivery of instruction, as determined by the state board.
2. Each year during the month of June, the state board of higher education shall select the recipients and provide:
 - a. One grant in the amount of \$500 to a full-time faculty member at the University of North Dakota;
 - b. One grant in the amount of \$500 to a full-time faculty member at North Dakota State University;
 - c. One grant in the amount of \$500 to a full-time faculty member at Dickinson State University, Mayville State University, Minot State University, or Valley City State University; and
 - d. One grant in the amount of \$500 to a full-time faculty member at Bismarck State College, Dakota College at Bottineau, Lake Region State College, North Dakota State College of Science, or Williston State College.
3. Each year, the state board of higher education may utilize up to \$400 of the amount appropriated to provide recipients with plaques commemorating their recognition.
4. If matching grants become available, the state board of higher education may increase the number of grants in each category set forth in subsection 2.

Approved April 13, 2015
Filed April 13, 2015

CHAPTER 29

HOUSE BILL NO. 1282

(Representatives Kempenich, Fehr, Hofstad, Holman, M. Nelson, Paur)
(Senators J. Lee, Mathern, Murphy, Robinson, Wardner, Warner)

AN ACT to provide an appropriation to the department of commerce to address health care workforce needs in rural areas of the state.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing matching funds to an organization assisting in the recruitment, distribution, supply, quality, and efficiency of personnel providing health services in rural areas of the state, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department of commerce may spend the funds appropriated in this section only for the purposes authorized in this section and only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

Approved April 22, 2015
Filed April 22, 2015

CHAPTER 30

HOUSE BILL NO. 1285

(Representatives J. Nelson, Monson, Sanford, Schneider, Streyle)
(Senators Bekkedahl, Oehlke, Robinson)

AN ACT to provide an appropriation to the department of commerce to provide grants to organizations that provide domestic violence shelters.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DOMESTIC VIOLENCE SHELTER GRANTS.

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$650,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants to domestic violence sexual assault organizations as defined in section 14-07.1-01 for constructing, renovating, or purchasing facilities to provide shelter to victims of domestic violence for the biennium beginning July 1, 2015, and ending June 30, 2017. The department of commerce shall provide a grant of up to \$400,000 to a qualifying organization serving a community in a non-oil-producing county with a population exceeding 10,000 based on the most recent decennial census. The department shall require three dollars of nonstate funds for each one dollar of the grant funds awarded up to \$400,000. The department shall provide a grant of up to \$250,000 to a qualifying organization serving a community in a non-oil-producing county with a population of 10,000 or fewer based on the most recent decennial census. The department shall require one dollar of nonstate funds for each one dollar of the grant funds awarded of up to \$250,000.

Approved April 15, 2015

Filed April 15, 2015

CHAPTER 31**HOUSE BILL NO. 1364**

(Representative Pollert)
(Senator Carlisle)

AN ACT to provide an appropriation to the department of veterans' affairs; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF VETERANS' AFFAIRS - 2013-15 BIENNIUM. There is appropriated from special funds derived from federal funds and other income, the sum of \$380,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of providing transportation services to veterans or for purchasing vehicles for the provision of transportation-related services to veterans, for the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved March 20, 2015
Filed March 20, 2015

CHAPTER 32

HOUSE BILL NO. 1372

(Representatives Trottier, Amerman, Boe, Fehr, D. Johnson, Kiefert, Paur)
(Senators Campbell, Marcellais, Miller)

AN ACT to provide an appropriation for the identification of and provision of services to veterans exposed to agent orange.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of providing grants to assist in the identification of and the provision of services to North Dakota veterans who had been exposed to agent orange during the Vietnam conflict, for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 20, 2015
Filed April 20, 2015

CHAPTER 33**HOUSE BILL NO. 1393**

(Representatives Meier, Delmore, Dosch, Hawken, Hunskor, Monson, Schatz,
Schreiber Beck)
(Senators Heckaman, Poolman, Schaible)

AN ACT to provide an appropriation for a science, technology, engineering, and mathematics advancement initiative.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing a science, technology, engineering, and mathematics advancement initiative, for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 15, 2015

Filed April 15, 2015

CHAPTER 34

HOUSE BILL NO. 1410

(Representatives Hawken, P. Anderson, Delmore, Maragos, Meier)
(Senators Davison, Oehlke)

AN ACT to provide an appropriation for head start programs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,900, or so much of the sum as may be necessary, to the department of human services for the purpose of providing grants to head start programs in this state, for the biennium beginning July 1, 2015, and ending June 30, 2017.

1. The head start state collaboration administrator shall award grants under this section based on an application and criteria that include:
 - a. The number of low-income or at-risk children and families that a program can serve;
 - b. A program's design, service area, and accessibility to eligible children and families;
 - c. A program's coordination and interaction with licensed child care programs and public and nonpublic schools; and
 - d. Proposals for innovative ways of addressing identified needs of eligible children and families.
2. The department shall monitor and provide oversight of all grant recipients.
3. This appropriation does not create eligibility entitlements.

Approved April 22, 2015
Filed April 22, 2015

CHAPTER 35

SENATE BILL NO. 2001

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

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,540,985	\$320,564	\$3,861,549
Accrued leave payments	67,722	(67,722)	0
Operating expenses	404,366	0	404,366
Contingencies	10,000	0	10,000
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Roughrider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,033,873	\$317,842	\$4,351,715
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Governor's transition lines	\$0	\$65,000
Total general fund	\$0	\$65,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The office of the governor shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE - LEGISLATIVE MANAGEMENT REPORT. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated to the governor's office, any additional income from federal or other funds which may become available to the governor's office, for the biennium beginning July 1, 2015, and ending June 30, 2017.

Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of funds under this section, the governor's office shall provide a report to the legislative management regarding the source, amount, and purpose of the funds received.

SECTION 4. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor.

The annual salary of the governor is ~~one hundred twenty-one thousand six hundred eighty-one dollars through June 30, 2014, and one hundred twenty-five thousand three hundred thirty-one~~one hundred twenty-nine thousand ninety-one dollars through June 30, 2016, and one hundred thirty-two thousand nine hundred sixty-four dollars thereafter.

SECTION 5. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~ninety-four thousand four hundred sixty-two dollars through June 30, 2014, and ninety-seven thousand two hundred ninety-six~~one hundred thousand two hundred fifteen dollars through June 30, 2016, and one hundred three thousand two hundred twenty-one dollars thereafter.

Approved April 23, 2015
Filed April 23, 2015

CHAPTER 36

SENATE BILL NO. 2002

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

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to provide exemptions; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; to provide for legislative management studies; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,753,869	\$1,149,645	\$4,903,514
Accrued leave payments	82,831	(82,831)	0
Operating expenses	2,579,597	3,153,698	5,733,295
Petition review	8,000	0	8,000
Election reform	<u>5,143,115</u>	<u>(2,439,580)</u>	<u>2,703,535</u>
Total all funds	\$11,567,412	\$1,780,932	\$13,348,344
Less estimated income	<u>5,844,417</u>	<u>(2,260,881)</u>	<u>3,583,536</u>
Total general fund	\$5,722,995	\$4,041,813	\$9,764,808
Full-time equivalent positions	28.00	6.00	34.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	<u>\$320,500</u>	<u>\$0</u>	<u>\$320,500</u>
Total general fund	\$320,500	\$0	\$320,500

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$6,043,495	\$4,041,813	\$10,085,308
Grand total special funds	<u>5,844,417</u>	<u>(2,260,881)</u>	<u>3,583,536</u>
Grand total all funds	\$11,887,912	\$1,780,932	\$13,668,844

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET- REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Funding for three new full-time equivalent positions	\$283,754	\$0
Overtime funding	225,600	0
Multipurpose copier	10,000	0
Information technology hosting charges	84,000	0
Technology project	0	3,050,000
Total general fund	\$603,354	\$3,050,000

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The secretary of state shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. EXEMPTION - GENERAL SERVICES OPERATING FUND. Any unexpended and unobligated balance remaining in the secretary of state's general services operating fund on June 30, 2015, is not subject to the provisions of section 54-09-08, and any unexpended funds are available and may be expended by the secretary of state, during the biennium beginning July 1, 2015, and ending June 30, 2017, for the database and processing platform migration project.

SECTION 4. EXEMPTION. The amounts appropriated to the secretary of state in subdivision 2 of section 1 of Senate Bill No. 2023, as approved by the sixty-fourth legislative assembly, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for completing the central indexing computer project and the business process modeling services contract during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. AMENDMENT. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is ~~ninety-six thousand seven hundred ninety-four dollars through June 30, 2014, and ninety-nine thousand six hundred ninety-eightone hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter.~~

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - USE OF SOFTWARE BY SECRETARY OF STATE. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of the secretary of state's office

utilizing software which would allow employees of the office to monitor and report billable hours in order to improve efficiency and productivity within the secretary of state's office. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY - CONSOLIDATION OF ELECTIONS. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of consolidating all political subdivision and school district elections with the statewide primary election and the holding of all special elections on other specified dates during any year. If the legislative management conducts the study, the legislative management shall seek input and participation from the secretary of state; representatives of cities, counties, school districts, and other political subdivisions; and representatives of political parties. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 8. EMERGENCY. Section 4 of this Act is declared to be an emergency measure.

Approved April 23, 2015
Filed April 23, 2015

CHAPTER 37

SENATE BILL NO. 2003

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

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to provide exemptions; to create and enact a new section to chapter 27-05 and two new sections to chapter 54-12 of the North Dakota Century Code, relating to the responsibility for expert witness expenses, attorney general opinions, and the criminal justice data information sharing system; to amend and reenact sections 53-12.1-09, 54-12-08, 54-12-11, and 54-27-25 of the North Dakota Century Code, relating to the salary of the attorney general, assistant and special assistant attorneys general, the lottery operating fund, and the tobacco settlement trust fund; to repeal section 54-59-21 of the North Dakota Century Code, relating to the criminal justice data information sharing system; to provide a report to the budget section; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$34,806,462	\$8,709,679	\$43,516,141
Accrued leave payments	1,057,247	(1,057,247)	0
Operating expenses	26,994,056	(1,002,737)	25,991,319
Capital assets	2,165,077	506,110	2,671,187
Grants	2,373,947	(611,288)	1,762,659
Criminal justice information sharing	0	5,401,701	5,401,701
Law enforcement	0	3,887,386	3,887,386
Litigation fees	50,000	0	50,000
Abortion litigation fees	400,000	0	400,000
Medical examinations	660,000	0	660,000
North Dakota lottery	4,133,821	1,148,957	5,282,778
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	<u>7,368</u>	<u>122</u>	<u>7,490</u>
Total all funds	\$72,657,978	\$16,982,683	\$89,640,661
Less estimated income	<u>35,382,450</u>	<u>518,335</u>	<u>35,900,785</u>
Total general fund	\$37,275,528	\$16,464,348	\$53,739,876
Full-time equivalent positions	212.50	36.50	249.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the

2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
BCI vehicles	\$198,000	\$132,000
BCI surveillance vehicles	0	200,000
Criminal justice information sharing	0	1,250,000
Target equity criminal investigators	0	1,276,301
Target equity gaming audit staff	0	270,000
Computerized business projects FTE	<u>178,100</u>	<u>0</u>
Total all funds	\$376,100	\$3,128,301
Total special funds	0	653,333
Total general fund	\$376,100	\$2,474,968

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The attorney general shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. TARGETED MARKET EQUITY FUNDING - LIMITATIONS - SALARY SAVINGS - REPORT TO BUDGET SECTION. Of the funds appropriated in the salaries and wages line item in section 1 of this Act, \$270,000 is one-time funding from the attorney general refund fund for providing targeted market equity to gaming audit staff and \$1,276,301 is one-time targeted market equity funding for criminal investigators, including \$250,000 provided from carryover funds due to the exemption in section 5 of this Act, and up to \$1,026,301 from the general fund. The attorney general may spend the general fund amount under this section only to the extent that salary savings resulting from vacant positions and employee turnover are not sufficient to provide the \$1,026,301 authorized for targeted market equity from the general fund. The attorney general shall report to the office of management and budget and the office of management and budget must report to budget section in September 2015 and September 2016 regarding the amount of salary savings used to reduce funding needed from the general fund and to report on the number and duration of vacant full-time equivalent positions.

SECTION 4. ATTORNEY GENERAL REFUND TRANSFER TO THE GENERAL FUND - EXEMPTION. 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, 2015.

SECTION 5. EXEMPTION - GRANTS TO LAW ENFORCEMENT AGENCIES. 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, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general to award 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 during the biennium beginning July 1, 2015, and ending June 30, 2017.

***SECTION 6.** A new section to chapter 27-05 of the North Dakota Century Code is created and enacted as follows:

State crime laboratory expert witness travel costs responsibility of district court - Exception.

In any case before the district court involving an offense other than a class AA felony in which a staff member from the state crime laboratory is subpoenaed to testify as an expert witness, the district court shall pay the mileage and travel expenses incurred by the expert witness as provided under sections 44-04-04 and 54-06-09. If the district court permits the expert witness to testify via the state's interactive video network service or other interactive computer service, the district court is not responsible for any costs related to the testimony of a subpoenaed state crime laboratory expert witness.

SECTION 7. AMENDMENT. Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
 - a. ~~Fifty~~**Eighty** thousand dollars must be transferred to the state treasurer each quarter for deposit in the compulsive gambling prevention and treatment fund;
 - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;

- c. Starting July 1, 2007, one hundred five thousand six hundred twenty-five dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
- d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

***SECTION 8.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

Attorney general opinions - Notification of receipt of request - Delivery.

Within thirty days of receipt of a request for a written opinion under section 54-12-01 or 44-04-21.1, the attorney general shall notify the individual who requested the opinion that the request has been received and that a written opinion will be delivered to the requester within one hundred eighty days of the receipt of the request or that the attorney general has determined that a written opinion will not be provided to the requester. If the attorney general determines that an opinion will not be written in response to the request, the attorney general shall inform the requester of the basis for that determination.

SECTION 9. A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

Criminal justice data information sharing system.

1. The attorney general shall maintain a criminal justice data information sharing system within the bureau of criminal investigation for the exchange of criminal justice data information by judicial, law enforcement, and emergency services agencies, and the department of transportation. Only an authorized individual employed by a criminal justice agency as defined in section 12-60-16.1, the department of transportation, a state court, or the department of emergency services or any other individual approved by the attorney general may access the system. To be eligible for access to the criminal justice data information sharing system, an individual shall undergo a criminal history background check, including a fingerprint check.
2. The criminal justice data information sharing system may be accessed only in accordance with rules adopted under this section. Any law enforcement record in the possession of the attorney general through the criminal justice data information sharing system is an exempt record. Criminal justice data information about an offense committed by a child if the offense has not been transferred under section 27-20-34 to another court having jurisdiction of the offense and information about a child victim or witness is confidential.
3. The attorney general shall provide staff to maintain the criminal justice data information system and provide administrative support for the advisory board.
4. A criminal justice information advisory board must be appointed, consisting of:
 - a. The chief justice of the supreme court or the chief justice's designee.
 - b. The director of the department of emergency services or the director's designee.

- c. The director of the department of corrections and rehabilitation or the director's designee.
 - d. The superintendent of the state highway patrol or the superintendent's designee.
 - e. The chief of the bureau of criminal investigation, who is the chairman of the advisory board.
 - f. The chief information officer of the state or the chief information officer's designee.
 - g. The director of the department of transportation or the director's designee.
 - h. A representative of a city police department, appointed by the attorney general from a list of two or more nominees from the North Dakota chiefs of police association.
 - i. A representative of a county sheriff's office, appointed by the attorney general from a list of two or more nominees from the North Dakota sheriffs and deputies association.
 - j. A state's attorney, appointed by the attorney general from a list of two or more nominees from the North Dakota state's attorney's association.
 - k. A city government representative, appointed by the attorney general from a list of two or more nominees from the league of cities.
 - l. A county government representative, appointed by the attorney general from a list of two or more nominees from the association of counties.
5. Advisory board members who are not permanent full-time state employees are entitled to compensation of seventy-five dollars per day and mileage and expenses as provided by law for state employees. With the exception of the chief of the bureau of criminal investigation, advisory board members appointed under this section serve staggered three year terms.
6. The attorney general, after consultation with the advisory board, shall adopt rules to establish eligibility for access to the criminal justice data information sharing system; to implement the collection, storage, and sharing of criminal justice information and the systems necessary to perform those functions; and to address the operation of the advisory board.

⁸ **SECTION 10. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.

- 1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer,

⁸ Section 54-12-08 was also amended by section 20 of House Bill No. 1003, chapter 3.

head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, ~~the board of higher education,~~ and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, and the state hospital.
4. Any assistant and special assistant attorney general, appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant and special assistant attorneys general must be considered a state educational official authorized to access student records for legal purposes.

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

54-12-11. Salary of attorney general.

The annual salary of the attorney general is one hundred ~~forty three~~fifty-two thousand ~~six~~four hundred ~~eighty five~~thirty-six dollars through June 30, ~~2014~~2016, and one hundred ~~forty seven~~fifty-seven thousand ~~nine hundred ninety six~~nine dollars thereafter.

SECTION 12. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:
 - a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund of which a minimum of eighty percent must be used for tobacco prevention and control.
 - b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.
 - c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.
2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be administered by the executive committee for the purpose of creating and implementing the comprehensive plan. If in any biennium, the tobacco prevention and control trust fund does not have adequate dollars to fund a comprehensive plan, the treasurer shall transfer money from the water development trust fund to the tobacco prevention and control trust fund in an amount equal to the amount determined necessary by the executive committee to fund a comprehensive plan.
3. Transfers to the funds under this section must be made within thirty days of receipt by the state.

SECTION 13. CAMPUS ASSESSMENTS - REPORT TO BUDGET SECTION.

The attorney general shall report to the budget section by September 30, 2016, regarding any fees charged to a campus in excess of the campus assessments listed below for legal fees charged by the attorney general.

Bismarck state college	\$38,377
Lake region state college	17,796
Williston state college	12,530
University of North Dakota	0
North Dakota state university	0
North Dakota state college of science	39,346
Dickinson state university	17,615
Mayville state university	16,949
Minot state university	39,709
Valley City state university	17,494
Dakota college at Bottineau	11,804
Total	\$211,620

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - MEDICAID FRAUD

UNIT. During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of establishing a medicaid fraud unit in the state. The study must include a review of the requirements for and the estimated costs and benefits of developing a medicaid fraud unit as well as any statutory requirements and changes necessary for the realization of the full benefit of a medicaid fraud unit. As part of the study, the legislative management shall seek input from the medical community, the department of human services, and any other relevant professions. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 15. REPEAL. Section 54-59-21 of the North Dakota Century Code is repealed.

SECTION 16. EMERGENCY. Section 4 and subsection 4 of section 10 of this Act are declared to be an emergency measure.

Approved May 13, 2015
 Filed May 14, 2015*

* Sections 6 and 8 of Senate Bill No. 2003 were vetoed, see chapter 487.

CHAPTER 38

SENATE BILL NO. 2004

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

AN ACT to provide an appropriation for defraying the expenses of the state auditor; to create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to a higher education audit division of the state auditor's office; and to amend and reenact sections 54-10-01 and 54-10-10 of the North Dakota Century Code, relating to the powers and duties of the state auditor and the salary of the state auditor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,113,137	\$2,209,055	\$12,322,192
Accrued leave payments	201,157	(201,157)	0
Operating expenses	901,113	294,397	1,195,510
Information technology consultants	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total all funds	\$11,465,407	\$2,302,295	\$13,767,702
Less estimated income	<u>3,036,918</u>	<u>268,952</u>	<u>3,305,870</u>
Total general fund	\$8,428,489	\$2,033,343	\$10,461,832
Full-time equivalent positions	53.80	6.00	59.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Vault renovation	\$45,000	\$0
Total general fund	\$45,000	\$0

SECTION 3. AMENDMENT. Section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

54-10-01. Powers and duties of state auditor.

The state auditor shall:

1. Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of the state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.

2. Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state and perform or provide for the audits and reviews of state agencies. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit or review each state agency once every two years. The state auditor shall determine the contents of the audits and reviews of state agencies. The state auditor may conduct any work required by the federal government. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for any agency that receives and expends both general fund and nongeneral fund moneys. Audits and reviews may be conducted at more frequent intervals if requested by the governor or legislative audit and fiscal review committee.
3. Be vested with the authority to determine whether to audit the international peace garden at the request of the board of directors of the international peace garden.
4. Perform or provide for performance audits of state agencies, or the agencies' blended component units or discreetly presented component units, as determined necessary by the state auditor or the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved.
5. For the audits and reviews the state auditor is authorized to perform or provide for under this section, the audit or review may be provided for by contract with a private certified or licensed public accountant or other qualified professional. If the state auditor determines that the audit or review will be done pursuant to contract, the state auditor, except for occupational or professional boards, shall execute the contract, and any executive branch agency, including higher education institutions, shall pay the fees of the contractor.
6. Be responsible for the above functions and report thereon to the governor and the secretary of state in accordance with section 54-06-04 or more often as circumstances may require.
7. Perform all other duties as prescribed by law.

SECTION 4. AMENDMENT. Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor.

The annual salary of the state auditor is ~~ninety-six thousand seven hundred ninety-four dollars through June 30, 2014, and ninety-nine thousand six hundred ninety-eight~~ one hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter.

⁹ **SECTION 5.** A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

State board of higher education audits - Higher education audit division.

1. The state auditor shall establish a higher education audit division and employ a division audit manager to perform all audit related functions of the state board of higher education, including the examination and evaluation of the adequacy and effectiveness of the board's governance, risk management, internal controls, performance of constitutionally and statutorily required duties, and other areas as determined by the state auditor. The audit manager shall conduct audits, as determined appropriate by the state auditor, of each institution under the supervision and control of the state board of higher education. The audit manager may consult with the state board of higher education, or a committee designated by the board, regarding audit plans, results of audit activities, and any other appropriate issue. The state auditor shall determine the audit scope and related audit areas of any audit conducted by the audit manager. This section does not require the state auditor to perform any duties that would compromise the auditor's independence under government auditing standards.
2. The audit manager may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the audit manager must be considered a state educational official authorized to access student records for audit purposes.
3. The state auditor may hire employees necessary to carry out the duties and responsibilities of this section. The state auditor may hire consultants to assist with any duties required under this section subject to approval by the legislative audit and fiscal review committee. The state board of higher education shall pay for the cost of any consultant approved under this section.

Approved April 13, 2015
Filed April 13, 2015

⁹ Section 54-10-30 was also created by section 19 of House Bill No. 1003, chapter 3.

CHAPTER 39

SENATE BILL NO. 2005

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

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact sections 54-11-13 and 57-20-07.2 of the North Dakota Century Code, relating to the salary of the state treasurer and state-paid property tax relief credit.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,396,437	\$105,205	\$1,501,642
Accrued leave payments	13,038	(13,038)	0
Operating expenses	135,356	175,357	310,713
Coal severance payments	252,800	(7,800)	245,000
Property tax relief credits	0	250,000,000	250,000,000
Total general fund	\$1,797,631	\$250,259,724	\$252,057,355
Full-time equivalent positions	8.00	0.00	8.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
IT developmental costs	\$377,591	\$0
Property tax relief	200,000,000	250,000,000
Township road distributions	8,760,000	0
Township distribution correction	385,000	0
Information technology costs	13,247	73,699
Nonoil transportation funding	<u>100,000,000</u>	<u>0</u>
Total general fund	\$309,535,838	\$250,073,699

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The state treasurer shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. PROPERTY TAX RELIEF CREDITS. The \$250,000,000 appropriated in the property tax relief credits line item of section 1 of this Act, or so

much of the sum as may be necessary, must be used for the purpose of state-paid property tax relief credits under section 57-20-07.2, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~ninety-one~~ninety-six thousand ~~four~~nine hundred ~~six~~seventy-two dollars through June 30, ~~2014~~2016, and ~~ninety-four~~ninety-nine thousand ~~one~~eight hundred ~~forty-eight~~eighty-one dollars thereafter.

¹⁰ **SECTION 5. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.2. (Effective for the first two taxable years beginning after December 31, ~~2014~~2014) State-paid property tax relief credit.

1. The owner of taxable property is entitled to a credit against property taxes levied against the total amount of property or mobile home taxes in dollars levied against the taxable value of the property. The credit is equal to twelve percent of property or mobile home taxes levied in dollars against that property.
2. The owner, operator, or lessee of railroad property assessed by the state board of equalization under chapter 57-05 or public utility operative property assessed by the state board of equalization under chapter 57-06 is entitled to a credit against property taxes levied within each county against that property in the amount provided in subsection 1 against property taxes levied in dollars against that property in that county.
3. The owner, operator, or lessee of operative property of an air carrier transportation company assessed and taxed under chapter 57-32 is entitled to a credit in the amount provided in subsection 1 against property taxes in dollars levied against that property. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the air transportation fund. The credit for each air transportation company must be allocated to each city or municipal airport authority where that company makes regularly scheduled landings, in the same manner as the tax collected from that company is allocated.
4. The tax commissioner shall estimate the amount necessary to provide each county advance payment of seventy-five percent of the amount the county and the taxing districts in the county will ultimately receive for a taxable year under this section and certify the estimated amounts to the state treasurer by March fifteenth for transfer by April first to the county treasurer and distribution to the county and taxing districts in the county as provided in subsection 5.
5. The tax commissioner shall determine the total amount of credits under this section for each county from the abstract of the tax list filed by the county

¹⁰ Section 57-20-07.2 was also amended by section 9 of House Bill No. 1059, chapter 433.

auditor under section 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner shall certify to the state treasurer for payment, by June first following receipt of the abstract of the tax list, the amount determined for each county under this subsection. No penalty or interest applies to any state payment under this section, regardless of when the payment is made. The tax commissioner shall reduce the June certification of payments to reflect the April estimated payments previously made to counties under subsection 4.

6. Upon receipt of the payment from the state treasurer under subsections 4 and 5, the county treasurer shall apportion and distribute it to the county and the taxing districts in the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
7. After payments to counties under subsection 5 have been made, the tax commissioner shall certify to the state treasurer as necessary any supplemental amounts payable to counties or the air transportation fund or any amounts that must be returned by counties or returned from the air transportation fund for deposit in the state general fund to correct any errors in payments or reflect any abatement or compromise of taxes, court-ordered tax reduction or increase, or levy of taxes against omitted property. The county auditor shall provide any supplemental information requested by the tax commissioner after submission of the abstract of the tax list. The county treasurer shall apply to the tax commissioner for any supplemental payments to which the county treasurer believes the county is entitled.
8. Notwithstanding any other provision of law, for any property other than mobile homes, the property tax credit under this section does not apply to any property subject to payments or taxes that are stated by law to be in lieu of personal or real property taxes.

Approved April 23, 2015
Filed April 23, 2015

CHAPTER 40

SENATE BILL NO. 2006

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

AN ACT to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans credit; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide for a transfer; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veterans credit, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,138,488	\$2,849,226	\$22,987,714
Accrued leave payments	624,818	(624,818)	0
Operating expenses	7,721,834	483,370	8,205,204
Capital assets	16,000	8,000	24,000
Homestead tax credit	20,000,000	0	20,000,000
Disabled veterans' credit	<u>7,678,000</u>	<u>0</u>	<u>7,678,000</u>
Total all funds	\$56,179,140	\$2,715,778	\$58,894,918
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$56,054,140	\$2,715,778	\$58,769,918
Full-time equivalent positions	134.00	2.00	136.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
TAP project	\$1,000,000	\$0
Scanners	<u>0</u>	<u>8,000</u>
Total general fund	\$1,000,000	\$8,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The tax commissioner shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. TRANSFER. There is transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue collected pursuant to section 57-43.1-02, the sum of \$2,030,496 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. EXEMPTION. The amount appropriated for the capital assets line item in section 1 of chapter 6 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. AMENDMENT. Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary.

The annual salary of the state tax commissioner is ~~one hundred five thousand fifty dollars through June 30, 2014, and one hundred eight thousand two hundred two~~one hundred eleven thousand four hundred forty-eight dollars through June 30, 2016, and one hundred fourteen thousand seven hundred ninety-one dollars thereafter.

Approved April 28, 2015

Filed April 28, 2015

CHAPTER 41

SENATE BILL NO. 2007

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

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,922,048	\$544,492	\$2,466,540
Accrued leave payments	39,609	(39,609)	0
Operating expenses	<u>323,694</u>	<u>159,359</u>	<u>483,053</u>
Total all funds	\$2,285,351	\$664,242	\$2,949,593
Less estimated income	<u>437,926</u>	<u>(94)</u>	<u>437,832</u>
Total general fund	\$1,847,425	\$664,336	\$2,511,761
Full-time equivalent positions	13.00	2.00	15.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Overtime	\$0	\$20,000
Paperless system	<u>0</u>	<u>56,135</u>
Total general fund	\$0	\$76,135

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. EMERGENCY. Funding of \$10,000 for extraordinary repairs in the operating expenses line item in section 1 of this Act is declared to be an emergency measure.

Approved April 13, 2015
Filed April 13, 2015

CHAPTER 42

SENATE BILL NO. 2008

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

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to provide for a railroad safety pilot program; to provide for a railroad training program; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salary of public service commissioners and the special fuels excise taxes distribution of funds; to provide a statement of legislative intent; to authorize a transfer; to provide an effective date; to provide for retroactive application; 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 public service commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,506,704	\$1,183,771	\$9,690,475
Accrued leave payments	168,278	(168,278)	0
Operating expenses	1,895,562	80,000	1,975,562
Capital assets	60,665	(34,265)	26,400
Grants	20,000	0	20,000
Abandoned mined lands contractual	8,000,000	0	8,000,000
Rail rate complaint case	900,000	0	900,000
Reclamation and grain licensing litigation	150,000	(150,000)	0
Railroad safety program	0	523,345	523,345
Specialized legal services	0	900,000	900,000
Weights and measures temp employee	0	200,000	200,000
Total all funds	\$19,701,209	\$2,534,573	\$22,235,782
Less estimated income	<u>13,033,549</u>	<u>1,267,026</u>	<u>14,300,575</u>
Total general fund	\$6,667,660	\$1,267,547	\$7,935,207
Full-time equivalent positions	44.00	2.00	46.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Specialized legal services	\$750,000	\$750,000
Hydraulic soil probe	28,000	0
Total all funds	\$778,000	\$750,000

Total special funds	353,920	336,000
Total general fund	\$424,080	\$414,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The public service commission shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. RAILROAD SAFETY PILOT PROGRAM - RAIL SAFETY FUND - LEGISLATIVE INTENT. The railroad safety program line item in section 1 of this Act includes \$523,345 from the rail safety fund, of which \$253,345 relates to salaries and wages, \$70,000 relates to operating expenses, and \$200,000 relates to a railroad safety pilot program temporary employee for the public service commission to establish and operate a state railroad safety pilot program for the biennium beginning July 1, 2015, and ending June 30, 2017. It is the intent of the sixty-fourth legislative assembly that the railroad safety pilot program continue through the 2017-19 biennium.

SECTION 4.

Railroad training program.

All railroads shall make training available to all fire departments having jurisdiction along routes traversed by unit oil trains. Training must be made available by June 30, 2016, with refresher training made available at least every three years thereafter. Training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from the area, and other strategies for initial response by local emergency responders. Training must include suggested protocol or practices for local responders to safely accomplish these tasks.

SECTION 5. AMENDMENT. Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners.

The annual salary of a commissioner is ~~ninety-nine thousand four hundred thirty-five dollars through June 30, 2014, and one hundred two thousand four hundred eighteen-one hundred five thousand four hundred ninety-one dollars through June 30, 2016, and one hundred eight thousand six hundred fifty-six~~ dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

SECTION 6. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the public service commission the sum of \$900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act to pay for costs associated with a rail rate complaint case. Transfers must be made during the biennium beginning July 1, 2015, and ending June 30, 2017, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

SECTION 7. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

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

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

(Effective after June 30 July 1, 2015, through June 30, 2019) Transfer, deposit, and distribution of funds. All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred seventy-five thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

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

SECTION 8. EFFECTIVE DATE. Section 7 of this Act is effective for special fuels excise taxes collected after June 30, 2015.

SECTION 9. RETROACTIVE APPLICATION. The specialized legal services line item in section 1 of this Act is retroactive in application.

SECTION 10. EMERGENCY. The specialized legal services line item in section 1 of this Act is declared to be an emergency measure.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 43

SENATE BILL NO. 2009

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

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for transfers; 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 agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,861,195	\$1,986,006	\$12,847,201
Operating expenses	5,885,262	991,807	6,877,069
Capital assets	12,000	(4,000)	8,000
Grants	4,675,828	5,964,946	10,640,774
State board of animal health	2,109,828	(1,076,163)	1,033,665
Wildlife services	1,417,400	0	1,417,400
Crop harmonization board	75,000	0	75,000
Accrued leave payments	<u>237,295</u>	<u>(237,295)</u>	<u>0</u>
Total all funds	\$25,273,808	\$7,625,301	\$32,899,109
Less estimated income	<u>15,754,591</u>	<u>5,563,462</u>	<u>21,318,053</u>
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056
Full-time equivalent positions	77.00	0.00	77.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
National genomics center	\$0	\$800,000
Information technology analysis	0	150,222
Department website redesign	<u>0</u>	<u>100,000</u>
Total general fund	\$0	\$1,050,222

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer

\$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$6,403,714, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$499,585, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$250,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

SECTION 8. AMENDMENT. Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

4-01-21. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is ~~ninety-nine thousand four hundred thirty-five dollars through June 30, 2014, and one hundred two thousand four hundred eighteen~~one hundred five thousand four hundred ninety-one dollars through June 30, 2016, and one hundred eight thousand six hundred fifty-six dollars thereafter.

SECTION 9. EMERGENCY. The sum of \$100,000 of federal funds included in the state board of animal health line item in section 1 of this Act is declared to be an emergency measure.

Approved April 24, 2015
Filed April 24, 2015

CHAPTER 44

SENATE BILL NO. 2010

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

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide an appropriation for the distribution of funds from the insurance tax distribution fund; and to amend and reenact sections 26.1-01-09, 26.1-26.6-01, 26.1-26.6-04, 26.1-26.6-05, and subsection 4 of section 26.1-44-03.1 of the North Dakota Century Code, relating to the commissioner's salary, bail bond agents, and surplus lines insurance filings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,019,514	\$923,583	\$8,943,097
Accrued leave payments	163,182	(163,182)	0
Operating expenses	2,858,008	(345,966)	2,512,042
Capital assets	0	90,000	90,000
Total special funds	\$11,040,704	\$504,435	\$11,545,139
Full-time equivalent positions	49.50	0.00	49.50

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$16,701,207 or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$15,681,207, and payments to the North Dakota firefighter's association in the amount of \$1,020,000, of which, \$130,000 is one-time funds, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. BONDING FUND. Section 1 of this Act includes \$50,813 from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. FIRE AND TORNADO FUND. Section 1 of this Act includes \$1,660,748 from the state fire and tornado fund to pay fire and tornado fund administrative expenses, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$29,062 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. PETROLEUM RELEASE COMPENSATION FUND. Section 1 of this Act includes \$116,881 from the petroleum release compensation fund to pay petroleum release compensation fund administrative expenses for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~ninety-six thousand seven hundred ninety-four dollars through June 30, 2014, and ninety-nine thousand six hundred ninety-eight~~ one hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter.

SECTION 8. AMENDMENT. Section 26.1-26.6-01 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-01. Definition.

As used in this chapter, unless the context otherwise requires, "bail bond agent" means any person ~~who~~that has been licensed by the commissioner and appointed by an insurer by power of attorney to execute or countersign bail bonds for the insurer in connection with the judicial proceedings and charges and receives money for the services.

SECTION 9. AMENDMENT. Section 26.1-26.6-04 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-04. Qualification~~Appointment~~ and license as bail bond agent - Pledge of property as security - Penalty.

A person may not act in the capacity of a bail bond agent or perform any of the functions, duties, or powers prescribed for a bail bond agent under this chapter unless that person is ~~qualified~~appointed and licensed as provided in this chapter. However, this section does not prohibit any individual from pledging real or other property as security for a bail bond in judicial proceedings if the individual does not receive, or is not promised, money or other things of value therefor. Violation of this section is a class ~~BA~~ misdemeanor.

SECTION 10. AMENDMENT. Section 26.1-26.6-05 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26.6-05. Violations - Penalties.

1. The commissioner may suspend, revoke, or refuse to continue, issue, or renew any license issued under this chapter if, after notice to the licensee and hearing, the commissioner finds as to the licensee any of the following conditions:
 - a. Recommending any particular attorney at law to handle the case in which the bail bond agent has caused a bond to be issued under this chapter.
 - b. Forging the name of another to a bond or application for bond.

- c. Soliciting business in or about any place for prisoners or persons confined, arraigned, or in custody.
 - d. Paying a fee or rebate, or giving or promising anything of value to a jailer, trustee, police officer or officer of the law, or any other person who has power to arrest or hold in custody or to any public official or public employee in order to secure a settlement, compromise, remission, or reduction of the amount of any bail bond or entreatment thereof, or to secure, delay, or other advantage. This subdivision does not apply to a jailer, police officer, or officer of the law who is not on duty and who assists in the apprehension of a defendant.
 - e. Paying a fee or rebating or giving anything of value to an attorney in bail bond matters, except in defense of any action on a bond.
 - f. Accepting anything of value from a principal other than a premium. Provided, the bail bond agent may accept collateral security or other indemnity from the principal which must be returned immediately upon final termination of liability on the bond. Such collateral security or other indemnity required by the bail bond agent must be reasonable in relation to the amount of the bond.
 - g. Willfully failing to return collateral security to the principal when the principal is entitled to the security.
 - h. Knowingly employing a person whose insurance producer license has been revoked, suspended, or denied in this or any other state.
 - i. Knowingly or intentionally executing a bail bond without collecting in full a premium for the bond, at the premium rate as filed with and approved by the commissioner.
 - j. Failing to pay any forfeiture as directed by a court and as required by this chapter.
2. For purposes of subdivisions f and g of subsection 1, a bail bond agent shall monitor the status of bonds written by the bail bond agent to make timely return of the collateral security to the principal. It is not a defense to administrative action under this section that the bail bond agent did not know liability on the bond had been terminated or that the principal was entitled to return of the security.
 3. A bail bond agent or bail bond agency may not advertise as or hold itself out to be a surety company.
 - 3-4. A bail bond agent may not sign nor countersign any blank in any bond, nor give up power of attorney to or otherwise authorize, anyone to countersign the bail bond agent's name to bonds.
 - 4-5. When a bail bond agent accepts collateral, the bail bond agent shall give a written receipt for the collateral and this receipt must contain a full description of the collateral received in the terms of redemption. The bail bond agent shall keep copies of all receipts of the bonds to be placed in business to be available to the commissioner for the commissioner's review.

~~5-6.~~ The provisions and penalties under this section are in addition to those provided under chapter 26.1-26.

¹¹ **SECTION 11. AMENDMENT.** Subsection 4 of section 26.1-44-03.1 of the North Dakota Century Code is amended and reenacted as follows:

4. At the time of filing the ~~verified report~~annual tax statement as set forth in section 26.1-44-06.1, each surplus lines producer shall pay the premium tax due for the policies written during the period covered by the ~~report~~annual tax statement.

Approved April 27, 2015
Filed April 27, 2015

¹¹ Section 26.1-44-03.1 was also amended by section 2 of House Bill No. 1146, chapter 224.

CHAPTER 45

SENATE BILL NO. 2011

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the securities department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,673,763	\$127,516	\$1,801,279
Operating expenses	559,242	46,805	606,047
Total all funds	\$2,233,005	\$174,321	\$2,407,326
Less estimated income	170,000	0	170,000
Total general fund	\$2,063,005	\$174,321	\$2,237,326
Full-time equivalent positions	9.00	0.00	9.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Information technology equipment upgrades	\$25,850	\$0
Retirement leave payouts	38,927	0
Total general fund	\$64,777	\$0

Approved April 22, 2015

Filed April 22, 2015

CHAPTER 46**SENATE BILL NO. 2012**

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

AN ACT providing an appropriation for defraying the expenses of the department of human services; to authorize the department of human services to convey land in Walsh County; to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to a behavioral health services quarterly report; to amend and reenact sections 6-09-47, 50-06-16, 50-06-32.1, and 50-06-37 of the North Dakota Century Code, relating to the medical facility infrastructure loan fund, rulemaking authority, the expiration date on the autism spectrum disorder voucher program pilot project, and the assessment used for the developmental disabilities system reimbursement project; to repeal section 3 of chapter 84 of the 2013 Session Laws, relating to the medical facility infrastructure fund balance transfer; to provide for exemptions; to provide a limitation relating to the program of all inclusive care for the elderly; to provide payments to counties out of enhanced federal payment; to provide advance payments to select enrolled providers; to provide statements of legislative intent; to provide reports to the legislative management; to provide for legislative management studies; to provide effective dates; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,949,306	\$4,087,271	\$28,036,577
Operating expenses	67,749,348	27,453,384	95,202,732
Capital assets	<u>12,000</u>	<u>14,000</u>	<u>26,000</u>
Total all funds	\$91,710,654	\$31,554,655	\$123,265,309
Less estimated income	<u>53,608,032</u>	<u>17,496,006</u>	<u>71,104,038</u>
Total general fund	\$38,102,622	\$14,058,649	\$52,161,271

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$52,422,982	\$5,738,890	\$58,161,872

Operating expenses	107,894,413	1,239,478	109,133,891
Capital assets	0	10,000	10,000
Grants	458,913,620	7,862,181	466,775,801
Grants - medical assistance	<u>1,910,060,462</u>	<u>503,804,141</u>	<u>2,413,864,603</u>
Total all funds	\$2,529,291,477	\$518,654,690	\$3,047,946,167
Less estimated income	<u>1,587,974,557</u>	<u>407,053,419</u>	<u>1,995,027,976</u>
Total general fund	\$941,316,920	\$111,601,271	\$1,052,918,191

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$182,433,538	\$16,237,697	\$198,671,235
Institutions	<u>130,697,211</u>	<u>15,029,659</u>	<u>145,726,870</u>
Total all funds	\$313,130,749	\$31,267,356	\$344,398,105
Less estimated income	<u>126,067,783</u>	<u>6,709,018</u>	<u>132,776,801</u>
Total general fund	\$187,062,966	\$24,558,338	\$211,621,304

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,166,482,508	\$150,218,258	\$1,316,700,766
Grand total special funds	<u>1,767,650,372</u>	<u>431,258,443</u>	<u>2,198,908,815</u>
Grand total all funds	\$2,934,132,880	\$581,476,701	\$3,515,609,581
Full-time equivalent positions	2,201.08	10.00	2,211.08

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Mainframe migration	\$810,000	\$0
Building demolition - life skills and transition center	220,000	0
State hospital capital projects	864,714	0
Grants	925,000	0
Critical access hospital grants	9,600,000	0
Electronic health records	2,500,000	0
Early childhood services grants	400,000	0
Developmental disabilities equipment	0	10,000
Heating plant repairs and upgrades - State hospital	0	1,156,000
Heating plant repairs and upgrades - Life skills and transition center	0	75,000
Window replacement - Life skills and transition center	0	44,000
Equipment over \$5,000 - State hospital	0	275,000
Equipment over \$5,000 - Life skills and transition center	0	200,000
Extraordinary repairs - State hospital	0	1,000,000
Extraordinary repairs - Life skills and transition center	0	<u>1,250,000</u>
Total all funds	\$15,319,714	\$4,010,000
Less estimated income	<u>10,686,093</u>	<u>10,000</u>
Total general fund	\$4,633,621	\$4,000,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The department of human services shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2016, any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-fifth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. EXEMPTION. The amount appropriated for the replacement of the medicaid management information system and related projects in chapter 50 of the 2007 Session Laws and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium and then the 2013-15 biennium are available for the completion of the medicaid management information system and related projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. EXEMPTION. The amount appropriated for the modification of the department's eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. CONVEYANCE OF LAND AUTHORIZED. The state of North Dakota by and through the department of human services may convey real property associated with the life skills and transition center in Grafton. The department may convey the Prairieview building and the real property on which the building is located on the terms and conditions determined appropriate by the department and the attorney general. Section 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 7. EXEMPTION - LEISURE, RECREATIONAL, AND EDUCATIONAL PROGRAMS. The grants line item in subdivision 2 of section 1 of this Act includes \$150,000 for providing grants for services to provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities in the northeast and southeast human service regions. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section. The department of human services' oversight for these services is limited to receiving information only relating to annual attendance numbers and the expenditure of appropriated funds for these services.

SECTION 8. DEPARTMENT OF HUMAN SERVICES - PROGRAM OF ALL INCLUSIVE CARE FOR THE ELDERLY - LIMITATION. The department of human services may not expand the program of all inclusive care for the elderly during the biennium beginning July 1, 2015, and ending June 30, 2017, into a community that is not operating a program site on August 1, 2015.

SECTION 9. ADVANCE PAYMENTS - ADJUSTMENTS - EXEMPTION. The department of human services may provide advance payments to select enrolled

providers related to the implementation of the new Medicaid management information system for the period beginning with the effective date of this Act, and ending June 30, 2015. The department may spend funds appropriated from the general fund in its grants - medical assistance line item in subdivision 2 of section 1 of this Act for making these advance payments if sufficient funding from the general fund is not available from the department's 2013-15 biennium appropriation. The department shall adjust 2015-17 biennium payments to the enrolled providers to recoup the advance payments. The amount appropriated from special funds in the grants - medical assistance line item in subdivision 2 of section 1 of chapter 12 of the 2013 Session Laws is not subject to section 54-44.1-11, and any unspent funds relating to the federal funds share of any advance payments may be continued and used for paying the federal share of medical assistance payments for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. AMENDMENT. Section 6-09-47 of the North Dakota Century Code is amended and reenacted as follows:

6-09-47. (Effective through July 31, 2017) Medical facility infrastructure loan program fund - Continuing appropriation - Audit and costs of administration.

1. The Bank of North Dakota shall administer a loan program to provide loans to medical facilities to conduct construction that improves the health care infrastructure in the state or improves access to existing nonprofit health care providers in the state. The construction project may include land purchases and may include purchase, lease, erection, or improvement of any structure or facility to the extent the governing board of the health care facility has the authority to authorize such activity.
2. In order to be eligible under this loan program, the applicant must be the governing board of the health care facility which shall submit an application to the Bank. The application must:
 - a. Detail the proposed construction project, which must be a project of at least one million dollars and which is expected to be utilized for at least thirty years;
 - b. Demonstrate the need and long-term viability of the construction project; and
 - c. Include financial information as the Bank may determine appropriate to determine eligibility, such as whether there are alternative financing methods.
3. The governor shall establish a task force to review loan applications under this section and to make recommendations to the Bank on the loan applications. The task force must include representation of medical providers and medical facilities from the oil-producing counties in the state. The task force shall work with the Bank to establish criteria for eligibility for a loan under the program. The criteria established by the task force and the Bank must give priority to applicants that are located in oil-producing counties.
4. A loan provided under this section:
 - a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the actual cost of the project;

- b. Must have an interest rate equal to one percent; and
 - c. Must provide a repayment schedule of no longer than twenty-five years.
5. A recipient of a loan under this section shall complete the financed construction project within twenty-four months of approval of the loan. Failure to comply with this subsection may result in forfeiture of the entire loan received under this section.
 6. The medical facility infrastructure fund is a special fund in the state treasury. This fund is a revolving fund. All moneys intransferred into the medical facility infrastructure fund, interest on moneys in the fund, and collections of principal and interest on loans from the fund are appropriated to the Bank on a continuing basis for the purpose of providing loans under this section.
 7. Funds in the medical facility infrastructure fund may be used for loans as provided under this section and to pay the costs of administration of the fund. Annually, the Bank may deduct a service fee for administering the medical facility infrastructure fund maintained under this section.
 8. The medical facility infrastructure fund must be audited in accordance with section 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on behalf of the fund must be paid from the fund.
 9. The Bank shall deposit loan repayment funds in the medical facility infrastructure fund. ~~After deduction of fees and costs as provided in this section, the Bank shall make an annual transfer of repayment funds deposited in the medical facility infrastructure fund to the state treasurer for deposit in the strategic investment and improvements fund.~~

~~(Effective August 1, 2017, through July 31, 2043) Medical facility infrastructure loan program – Continuing appropriation – Audit and costs of administration.~~

1. ~~The Bank of North Dakota shall service loans made under the medical facility infrastructure loan program. The repayment schedule of these loans may not exceed twenty-five years.~~
2. ~~Funds in the medical facility infrastructure fund may be used for loans as provided under this section and to pay the costs of administration of the fund. Annually, the Bank may deduct a service fee for administering the medical facility infrastructure fund maintained under this section.~~
3. ~~The medical facility infrastructure fund must be audited in accordance with section 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on behalf of the fund must be paid from the fund.~~
4. ~~The Bank shall deposit loan repayment funds in the medical facility infrastructure fund. After deduction of fees and costs as provided in this section, the Bank shall make an annual transfer of repayment funds deposited in the medical facility infrastructure fund to the state treasurer for deposit in the strategic investment and improvements fund.~~

SECTION 11. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Behavioral health services quarterly report.

The department of human services shall publish a quarterly report of all behavioral health services provided by or supported by the department. The report must include each type of behavioral health service, the number of clients served for each service, and the amount of state and federal funds budgeted and spent for each service. Data must be identified for behavioral health services by human service region and by mental health services provided to children, mental health services provided to adults, and substance abuse services.

SECTION 12. AMENDMENT. Section 50-06-16 of the North Dakota Century Code is amended and reenacted as follows:

50-06-16. Rulemaking authority.

The department may adopt rules necessary to carry out the responsibilities of the department in conformity with any statute administered or enforced by the department. All rules adopted must be published in the North Dakota Administrative Code. Rules adopted by agencies prior to January 1, 1982, which relate to functions or agencies covered by this chapter remain in effect until such time as they are specifically amended or repealed. The department is not required to adopt rules to establish the process for the administration of funds appropriated to the department in an appropriation identified by the legislative assembly as a one-time funding item.

SECTION 13. AMENDMENT. Section 50-06-32.1 of the North Dakota Century Code is amended and reenacted as follows:

50-06-32.1. ~~(Effective through June 30, 2015)~~ Autism spectrum disorder voucher program pilot project - Legislative management report - Appeal.

1. The department of human services shall establish a voucher program pilot project beginning July 1, 2014, to assist in funding equipment and general educational needs related to autism spectrum disorder for individuals below two hundred percent of the federal poverty level from age three to under age eighteen who have been diagnosed with autism spectrum disorder. The program may include funding for assistive technology; video modeling videos or equipment; language-generating devices; training and educational material for parents; parenting education; sensory equipment; tutors; safety equipment; travel tools; self-care equipment; timers; visual representation systems; respite care; specialized daycare; language comprehension equipment; and registration and related expenses for workshops and training to improve independent living skills, employment opportunities, and other executive or social skills.
2. The department shall adopt rules addressing management of this voucher program pilot project and establishing the eligibility requirements and exclusions for this voucher program pilot project. The program may not provide a voucher for early intensive behavioral intervention, including applied behavioral analysis, intensive early interventional behavioral therapy, intensive behavioral intervention, the Lovaas method, the Denver model, LEAP (learning experiences - an alternative program for preschoolers and parents), TEACCH (treatment and education of autistic and related communication handicapped children), pivotal response training, or discrete trial training.
3. A decision on a voucher application which is issued by the department under this section may be appealed as provided under chapter 28-32.

4. The department of human services shall report to the legislative management regarding the autism spectrum disorder program pilot project.

SECTION 14. AMENDMENT. Section 50-06-37 of the North Dakota Century Code is amended and reenacted as follows:

50-06-37. Developmental disabilities system reimbursement project.

The department of human services, in conjunction with developmental disabilities service providers, shall develop a prospective or related payment system with an independent rate model utilizing the support intensity scale.

1. The department shall establish a steering committee consisting of representatives from all interested providers and department representatives. The steering committee shall guide the development of the new payment system including assisting a consultant to conceptualize, develop, design, implement, and evaluate a new payment system.
2. The department shall contract with a consultant by September 1, 2011, to develop, in collaboration with the steering committee, the payment system and the resource allocation model tying funding to support intensity scale assessed needs of clients aged sixteen and older and to a state-approved assessment that assesses needs of clients younger than sixteen years of age.
3. After the prospective or related payment system rates are developed, the new rates must be tested on a sampling of clients and providers, the sample to be determined by the steering committee, allowing sufficient time to capture provider cost, client-realized need, and service provision data. The consultant shall provide the appropriate sampling number to sufficiently test the rates, types of services, and needs of clients with the intent to include as many providers as fiscally feasible.
4. The department shall contract with a team of support intensity scale assessors by September 1, 2011. The team shall begin assessing immediately the identified client pilot group identified by the consultant contracted in subsection 2.
5. Once testing is complete, the data must be analyzed by the consultant and the consultant shall make any needed rate adjustments, resource allocation modifications, or process assumptions.
6. Beginning in June 2012, the department and the steering committee shall report development activities and status information to an interim legislative committee.
7. Implementation of any system developed under this chapter may not occur before the implementation of the department's new medicaid management information system.

SECTION 15. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES CASE MANAGEMENT. It is the intent of the sixty-fourth legislative assembly that the department of human services provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code for the biennium beginning July 1, 2015, and ending June 30, 2017. If case management services for individuals with a developmental disability exceed the ratio requirement provided in the North Dakota Administrative Code, the

department may hire temporary staff or the department may propose a change to North Dakota Administrative Code to meet the ratio requirement.

SECTION 16. ROBINSON RECOVERY CENTER FUNDING. Notwithstanding the designation of funding for the Robinson recovery center in the appropriation for the department of human services in section 1 of this Act, the department may reprocure the contract for methamphetamine treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract for the biennium beginning July 1, 2015, and ending June 30, 2017. Funding otherwise designated for the Robinson recovery center may be used to support the costs of the reprocured contract.

SECTION 17. PAYMENTS TO THE COUNTY FOR LOCAL EXPENSES OF ADMINISTRATION OF THE MEDICAID PROGRAM. Within the limits of legislative appropriation, the department may reimburse counties for part of the local expenses of administration for determining eligibility for services under chapter 50-24.1, an amount that represents all or part of an increase in payments from the federal government to the department for administration of the medicaid program.

SECTION 18. APPROPRIATION. Special funds derived from federal funds and other income, are appropriated to the department of human services for the purpose of reimbursing counties under section 17 of this Act for part of the local expenses of administration of the medicaid program under chapters 50-01.2 and 50-24.1, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 19. GRANTS - EXEMPTION - REPORTS TO LEGISLATIVE MANAGEMENT. The grants line item in subdivision 2 of section 1 of this Act includes \$75,000 from the general fund for a grant to a statewide family-controlled parent-to-parent support organization with at least fifty percent of its board of directors consisting of members whose primary daily responsibilities include caring for a child with a mental health disorder, for the biennium beginning July 1, 2015, and ending June 30, 2017. Funds awarded must be used for providing services to children with emotional, behavioral, or mental health needs. The organization receiving a grant under this section shall provide a report to the legislative management during the 2015-16 interim on the use of grant funds. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

SECTION 20. GRANTS - EXEMPTION - REPORTS TO LEGISLATIVE MANAGEMENT. The grants line item in subdivision 2 of section 1 of this Act includes \$75,000 from the general fund for a grant to a statewide family-to-family health information and education organization which provides parent-to-parent support for families and is located in a county with a population of less than 6,000 based on the 2010 decennial census, for the biennium beginning July 1, 2015, and ending June 30, 2017. Funds awarded must be used for family-related information and education services. The organization receiving a grant under this section shall provide a report to the legislative management during the 2015-16 interim on the use of grant funds. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

SECTION 21. APPROPRIATION - 2013-15 BIENNIUM. There is appropriated out of special funds derived from federal funds, not otherwise appropriated, the sum of \$87,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying medical assistance grant costs, for the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - MENTAL HEALTH HOTLINE SERVICES. During the 2015-16 interim, the legislative management shall

consider studying the various telephone contact numbers supported by state appropriations to access information regarding services and programs available and determine if multiple numbers are necessary to respond appropriately to the residents of the state. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 23. REPORT TO LEGISLATIVE MANAGEMENT - ADULT PROTECTIVE SERVICES PROGRAM. During the 2015-16 interim, the department of human services shall report to the legislative management regarding the adult protective services program, including the effectiveness of the program, information on services and outcomes, and funding by human service region and in total.

SECTION 24. LEGISLATIVE MANAGEMENT STUDY - AUTISM SERVICES. During the 2015-16 interim, the legislative management shall consider studying services for children with autism. The study must include a review of services currently provided by the department of human services, the superintendent of public instruction, and other state and local agencies, and an evaluation of the effectiveness of the continuum of care, transition between programs, and outcomes. The study must also identify current funding for these programs and projected funding needs in future bienniums by funding source. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - LIFE SKILLS AND TRANSITION CENTER. During the 2015-16 interim, the legislative management shall consider studying the use of the structures and property of the life skills and transition center to determine the best and most efficient use of the properties. If conducted, the study must review the potential to transfer clients from the life skills and transition center to under-utilized facilities on the state hospital campus or to a community-based setting. The study must also review potential alternative uses of structures on the life skills and transition center campus. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 26. BEHAVIORAL HEALTH SERVICES - LEGISLATIVE MANAGEMENT REPORTS. During the 2015-16 interim, the department of human services shall present its quarterly behavioral health services reports to the legislative management.

SECTION 27. REPEAL. Section 3 of chapter 84 of the 2013 Session Laws is repealed.

SECTION 28. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2016.

SECTION 29. EFFECTIVE DATE. Sections 17 and 18 of this Act become effective on the effective date of the centers for medicare and medicaid services' certification that the department's eligibility system has met the seven conditions and standards for the receipt of enhanced match.

SECTION 30. EMERGENCY. The medical assistance-grants line item in subdivision 2 of section 1 and sections 9 and 21 of this Act are declared to be an emergency measure.

Approved May 12, 2015
Filed May 13, 2015

CHAPTER 47

SENATE BILL NO. 2013

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

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to create and enact a new section to chapter 54-24 of the North Dakota Century Code, relating to the state library operating fund; to amend and reenact sections 15.1-02-02, 15.1-07-33, 24-02-03.3, and 39-01-03 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, PowerSchool, and the management and use of motor vehicles owned by the state; to provide an exemption; to provide a statement of legislative intent; and to provide for legislative management studies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,940,953	\$2,339,053	\$18,280,006
Accrued leave payments	322,068	(322,068)	0
Operating expenses	29,430,802	1,397,390	30,828,192
Integrated formula payments	1,752,100,000	164,540,000	1,916,640,000
Grants - special education contracts	16,500,000	800,000	17,300,000
Grants - transportation	53,500,000	3,500,000	57,000,000
Grants - other grants	272,996,261	(4,379,034)	268,617,227
PowerSchool	0	6,000,000	6,000,000
Rapid enrollment grants	13,600,000	1,200,000	14,800,000
Transportation efficiency	30,000	0	30,000
National board certification	<u>120,000</u>	<u>0</u>	<u>120,000</u>
Total all funds	\$2,154,540,084	\$175,075,341	\$2,329,615,425
Less estimated income	436,996,759	71,635,714	508,632,473
Total general fund	\$1,717,543,325	\$103,439,627	\$1,820,982,952
Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,780,053	\$401,127	\$4,181,180
Accrued leave payments	75,354	(75,354)	0
Operating expenses	1,895,726	0	1,895,726
Grants	<u>2,519,000</u>	<u>616,500</u>	<u>3,135,500</u>
Total all funds	\$8,270,133	\$942,273	\$9,212,406
Less estimated income	<u>2,394,145</u>	<u>44,606</u>	<u>2,438,751</u>
Total general fund	\$5,875,988	\$897,667	\$6,773,655
Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,932,905	\$781,425	\$7,714,330
Accrued leave payments	134,846	(134,846)	0
Operating expenses	1,908,794	139,502	2,048,296
Capital assets	191,762	675,412	867,174
Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$9,368,307	\$1,461,493	\$10,829,800
Less estimated income	<u>1,568,928</u>	<u>120,282</u>	<u>1,689,210</u>
Total general fund	\$7,799,379	\$1,341,211	\$9,140,590
Full-time equivalent positions	44.61	1.00	45.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,415,180	\$344,969	\$4,760,149
Accrued leave payments	87,463	(87,463)	0
Operating expenses	707,006	157,700	864,706
Capital assets	<u>35,364</u>	<u>46,590</u>	<u>81,954</u>
Total all funds	\$5,245,013	\$461,796	\$5,706,809
Less estimated income	<u>743,427</u>	<u>(118,102)</u>	<u>625,325</u>
Total general fund	\$4,501,586	\$579,898	\$5,081,484
Full-time equivalent positions	30.00	0.00	30.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,735,720,278	\$106,258,403	\$1,841,978,681
Grand total special funds	<u>441,703,259</u>	<u>71,682,500</u>	<u>513,385,759</u>
Grand total all funds	\$2,177,423,537	\$177,940,903	\$2,355,364,440

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Department of public instruction		
Funding pool for initiatives	\$2,750,000	\$0
Information technology staffing analysis	100,000	0
Early childhood care and education study	200,000	0
Governing North Dakota textbook	20,000	0
Safety grants	3,000,000	0
Civics education grant	0	200,000
Cardiopulmonary resuscitation training grants	0	450,000
Free or reduced meals information technology	0	30,000
Rapid enrollment grants	0	<u>14,800,000</u>
Total department of public instruction - general fund	\$6,070,000	\$15,480,000
State library		
Library repair grants	\$0	<u>\$250,000</u>
Total state library- general fund	\$0	\$250,000
School for the deaf		
Extraordinary repairs	<u>\$1,002,259</u>	<u>\$600,000</u>
Total school for the deaf - estimated income	\$1,002,259	\$600,000
North Dakota vision services - school for the blind		
Equipment	\$20,200	\$21,000
Elevator installation	241,500	0
Window replacements	189,000	0
Extraordinary repairs	90,136	0
Remodel of west wing	2,762,000	0
Special assessments payoff	0	19,000
Server and access points	0	<u>16,000</u>
Total school for the blind - all funds	\$3,302,836	\$56,000
Total school for the blind - estimated income	<u>110,329</u>	<u>56,000</u>
Total school for the blind - general fund	\$3,192,507	\$0
Grand total - all funds	\$10,375,095	\$16,386,000
Grand total - estimated income	<u>1,112,588</u>	<u>656,000</u>
Grand total - general fund	\$9,262,507	\$15,730,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The department of public instruction, state library, school for the deaf, and North Dakota vision services - school for the blind shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$219,134,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of

grants for educational services that were due in the 2013-15 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2015.

SECTION 5. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

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

SECTION 6. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2015-17 biennium, the superintendent of public instruction shall expend up to \$800,000 from the integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
 - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
 - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

SECTION 7. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2015-17 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
 - a. One dollar and eighteen cents per mile for school buses having a capacity of ten or more passengers;
 - b. Fifty-five cents per mile for vehicles having a capacity of nine or fewer passengers;

- c. Fifty-four cents per mile, provided:
 - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
 - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
 - (3) The student is transported by an adult member of the student's family;
 - (4) The student is transported in a vehicle furnished by the student's parents;
 - (5) The student's transportation is paid for by the student's parents; and
 - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
 - d. Fifty-four cents per mile, one way, provided:
 - (1) The student being transported resides more than two miles from the public school that the student attends;
 - (2) The student is transported by an adult member of the student's family;
 - (3) The student is transported in a vehicle furnished by the student's parents; and
 - (4) The student's transportation is paid for by the student's parents.
 - e. Thirty-two cents per student for each one-way trip.
- 2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
 - 3. If any moneys provided for transportation payments in the grants - transportation line item in subdivision 1 of section 1 of this Act, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
 - 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 8. RAPID ENROLLMENT GRANTS - DISTRIBUTION. The sum of \$14,800,000, or so much of the sum as may be necessary, included in the rapid enrollment grants line item in subdivision 1 of section 1 of this Act is provided for grants to any school district that can demonstrate qualifying rapid enrollment growth, for the biennium beginning July 1, 2015, and ending June 30, 2017. The superintendent of public instruction shall award grants to eligible districts meeting the following criteria:

1. A district is eligible to receive a grant under this section if the number of students reflected in the district's September tenth enrollment report exceeds the number of students in the prior year September tenth enrollment report as follows:
 - a. For Tier 1 funding, the increase must be at least four percent or one hundred fifty students and must be at least twenty students; or
 - b. For Tier 2 funding, the increase must be at least two percent or seventy-five students and must be at least ten students.
2. The superintendent of public instruction shall calculate the amount to which an eligible district is entitled as follows:
 - a. Determine the actual percentage increase in the number of students and subtract two from the percentage calculated;
 - b. Determine the number of students represented by the difference determined in subdivision a of this section;
 - c. Multiply the number of students determined in subdivision b of this section by:
 - (1) \$4,000 for Tier 1 funding; or
 - (2) \$2,000 for Tier 2 funding.
3. If the amount of the appropriation provided for in this Act is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
4. The superintendent of public instruction may not expend more than \$7,400,000 in grants under this section during the first year of the biennium.
5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section.

SECTION 9. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The sum of \$150,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2015, and ending June 30, 2017.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;

- b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.
2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 10. CARDIOPULMONARY RESUSCITATION TRAINING GRANTS - FUNDING - DISTRIBUTION. During the 2015-17 biennium, the superintendent of public instruction shall expend up to \$450,000 from the grants - other grants line item in subdivision 1 of section 1 of this Act for the purpose of providing cardiopulmonary resuscitation training grants for training made available to students at both the high school and middle school levels as provided below.

1. A school district may be eligible for reimbursement under this section if the school district utilizes one class period in a required course of the district's choosing, for the purpose of providing instruction in cardiopulmonary resuscitation to as many students as possible. A nonpublic school may be eligible for reimbursement under this section if the nonpublic school utilizes one class period in a required course of the school's choosing, for the purpose of providing instruction in cardiopulmonary resuscitation to as many students as possible. The training must:
 - a. Conform to the most recent national evidence-based American heart association guidelines for cardiopulmonary resuscitation and emergency cardiovascular care;
 - b. Be conducted according to guidelines established by the American heart association, the American red cross, or some other nationally recognized nonprofit organization;
 - c. Include the practice of chest compressions;
 - d. Include instruction in the use of an automated external defibrillator; and
 - e. Use course curriculum which allows for demonstration of competency in performing cardiopulmonary resuscitation and associated skills, including automated external defibrillator and first aid, gained through psychomotor skills practice based on current national guidelines.
2.
 - a. Upon completion of the training, each school district and nonpublic school may submit to the superintendent of public instruction documentation verifying the training and any expenses incurred in providing the training.
 - b. For purposes of this section, "reimbursable expenses" include costs for instructors, training staff as instructors, instructional materials, and training manikins.
 - c. A school district's reimbursement may not exceed the equivalent of \$15 multiplied by the number of district students undergoing the training during the first year of the biennium and \$15 multiplied by the number of district students undergoing the training during the second year of the

biennium, based on the number of hours and level of certification offered. A nonpublic school's reimbursement may not exceed the equivalent of \$15 multiplied by the number of the school's students undergoing the training during the first year of the biennium and \$15 multiplied by the number of the school's students undergoing the training during the second year of the biennium, based on the number of hours and level of certification offered.

3. School districts and nonpublic schools may combine with other school districts and nonpublic schools to provide the training or direct that a regional education association provide or facilitate the training.
4. The superintendent of public instruction shall provide the reimbursements to school districts and nonpublic schools in accordance with the order in which completed requests are received.

SECTION 11. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 12. EXEMPTION - SAFETY GRANTS. The amount appropriated for school district safety grants in section 1 of chapter 59 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for school district safety grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$2,133,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2016.

SECTION 14. OTHER GRANTS - REPORTING. The superintendent of public instruction shall continue reporting on the cost per participant and the outcomes of other grants and report to the sixty-fifth legislative assembly regarding participation, cost, and outcomes of these grants.

SECTION 15. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 16. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM. The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing, for the biennium beginning July 1, 2015, and ending June 30, 2017. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.

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

SECTION 17. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary.

The annual salary of the superintendent of public instruction is ~~one hundred ten thousand one hundred ninety-two dollars through June 30, 2014, and one hundred thirteen thousand four hundred ninety-eight~~ one hundred sixteen thousand nine hundred three dollars through June 30, 2016, and one hundred twenty thousand four hundred ten dollars thereafter.

SECTION 18. AMENDMENT. Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-33. Student information system - ~~Statewide coordination - Financial support - Exemption.~~

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. ~~The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.~~
3. ~~If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall~~

~~return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.~~

- 4- The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

SECTION 19. AMENDMENT. Section 24-02-03.3 of the North Dakota Century Code is amended and reenacted as follows:

24-02-03.3. Central management system for all state-owned licensed motor vehicles.

1. The director shall establish within the department a central vehicle management system to regulate the operation, maintenance, and management of all motor vehicles owned or leased by the state subject to registration under chapters 39-04 and 39-05. Upon the request of a state agency and an agreement between the agency and director for the use of the motor vehicle-related equipment, the director may purchase or lease motor vehicle-related equipment and include that equipment within the system. The director shall provide a uniform method of documenting the use and cost of operation of motor vehicles and motor vehicle-related equipment in the system. The director shall advise the director of the office of management and budget as to the need to acquire or dispose of system motor vehicles. The specifications for highway patrol vehicles to be acquired may be set by the highway patrol superintendent. Every state agency, institution, department, board, bureau, and commission unless exempted by the director must use the system. At the request of the director of the North Dakota agricultural experiment station, certain vehicles used in farming operations at the agronomy seed farm and branch research centers shall be exempt from the requirements of this section. However, an agency, institution, department, board, bureau, or commission may authorize the use of an employee's personal motor vehicle pursuant to subsection 4 of section 54-06-09.
2. The director may enter into an agreement with a state employee who has a disability requiring a specially-equipped vehicle to pay a mileage rate greater than the rate established in section 54-06-09 for the employee's use of the employee's specially-equipped motor vehicle while conducting state business. The rate must be based on the rate provided in section 54-06-09, increased by the actual cost per mile caused by the special equipment, and may not exceed the cost associated with the special equipment expressed as the new value plus the depreciated fair market value in eight years divided by two, divided by twenty thousand miles.
3. Each entity required to use the system shall submit records of the operation of each vehicle as directed by the director.
4. The director may enter an agreement for the use of the motor vehicle-related equipment with the North Dakota art museum established in section 54-02-11.

SECTION 20. AMENDMENT. Section 39-01-03 of the North Dakota Century Code is amended and reenacted as follows:

39-01-03. Motor vehicle owned by the state, North Dakota art museum, or an international peace garden not to be used for private use or in political activities.

~~No person~~A person, officer, or employee of the state or of any department, board, bureau, commission, institution, industry, or other agency of the state, or person, officer, or employee of the North Dakota art museum, or of any entity located upon the international boundary line between the United States of America and Canada used and maintained as a memorial to commemorate the long-existing relationship of peace and good will between the people and the governments of the United States of America and Canada and to further international peace among the nations of the world, may not use or drive any motor vehicle belonging to the state or to any department, board, bureau, commission, institution, industry, or other agency of the state, or person, officer, or employee of the North Dakota art museum, or of any entity located upon the international boundary line between the United States of America and Canada used and maintained as a memorial to commemorate the long-existing relationship of peace and good will between the people and the governments of the United States of America and Canada and to further international peace among the nations of the world, for private use, or while engaged in any political activity.

SECTION 21. A new section to chapter 54-24 of the North Dakota Century Code is created and enacted as follows:

State library operating fund.

The state library's operating fund is a special fund in the state treasury. All moneys received for book replacement, cataloging services, and other miscellaneous library services must be deposited in this fund. Moneys in the fund are to be used pursuant to legislative appropriation for provision of services under this chapter.

SECTION 22. LEGISLATIVE INTENT - REGIONAL EDUCATION ASSOCIATIONS AND THE NORTH DAKOTA TEACHER CENTER NETWORK. It is the intent of the sixty-fourth legislative assembly that, during the 2015-17 biennium, the North Dakota teacher center network merge with regional education associations and that the mergers be complete by July 1, 2017.

SECTION 23. LEGISLATIVE MANAGEMENT STUDY - SCHOOL DISTRICT TRANSPORTATION. During the 2015-16 interim, the legislative management shall consider studying school district transportation and state reimbursement for transportation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 24. LEGISLATIVE MANAGEMENT STUDY - TEACHER PREPARATION AND RETENTION. During the 2015-16 interim, the legislative management shall consider studying teacher preparation and retention, including reasons new teachers leave the profession, federal requirements for teacher preparation programs, and possible enhancements to teacher preparation programs and other programs designed to improve retention of new teachers. As part of the study the superintendent of public instruction shall prepare exit interview forms to be completed by school districts when a teacher separates employment. The superintendent of public instruction shall compile the information from the exit interviews and provide a report to the legislative management. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - EDUCATIONAL SERVICE PROVIDERS. During the 2015-16 interim, the legislative management shall consider studying the effectiveness and efficiency of educational service providers, including regional education associations, the education standards and practices board, EduTech, the center for distance education, the North Dakota STEM network, and the teacher center network. The study shall examine organizational, structural, administrative, and supervisory options for strengthening the role and function of the named entities and ensuring the optimal provision of services to students, teachers, schools, and school districts throughout the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

Approved May 12, 2015

Filed May 13, 2015

CHAPTER 48

SENATE BILL NO. 2014

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the committee on protection and advocacy for the purpose of defraying the expenses of the committee on protection and advocacy, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Protection and advocacy operations	\$5,671,584	\$795,380	\$6,466,964
Accrued leave payments	93,590	(93,590)	0
Total all funds	\$5,765,174	\$701,790	\$6,466,964
Less estimated income	<u>3,233,612</u>	<u>199,241</u>	<u>3,432,853</u>
Total general fund	\$2,531,562	\$502,549	\$3,034,111
Full-time equivalent positions	27.50	0.00	27.50

Approved May 12, 2015
 Filed May 13, 2015

CHAPTER 49

SENATE BILL NO. 2015

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

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation to the department of transportation; to provide an appropriation to the state auditor; to provide an appropriation to the legislative assembly; to provide an appropriation to the legislative council; to provide an appropriation to the judicial branch; to provide contingent appropriations to the state board of higher education, department of transportation, and superintendent of public instruction; to create and enact a new section to chapter 44-04 and a new section to chapter 54-52.6 of the North Dakota Century Code, relating to open records requests submitted by members of the legislative assembly and the legislative council and the defined benefit retirement plan; to amend and reenact subdivision c of subsection 1 of section 15-10-17, section 48-08-04, subsections 3 and 4 of section 54-52-17, section 55-01-02.1, subsection 3 of section 57-38-01.7 as amended in section 1 of of House Bill No. 1462, as approved by the sixty-fourth legislative assembly, subdivision b of subsection 3 of section 57-51.1-03 as amended in section 5 of House Bill No. 1476, as approved by the sixty-fourth legislative assembly, and subsection 2 of section 61-16.1-09, of the North Dakota Century Code, and sections 1 and 2 of Senate Bill No. 2019, as approved by the sixty-fourth legislative assembly, relating to North Dakota university system personnel, the use of legislative meeting rooms, the defined benefit retirement plan, operation of the heritage center building, income tax credits for charitable contributions to private education institutions, eminent domain and water resource boards, and an appropriation to the parks and recreation department; to repeal section 54-44-06 of the North Dakota Century Code and section 5 of House Bill No. 1003, as approved by the sixty-fourth legislative assembly, relating to duties of the office of management and budget as to the school fund and contingent appropriations for higher education capital projects; to provide an exemption; to provide for various transfers and contingent transfers; to provide statements of legislative intent; to provide for legislative management studies and reports; to provide for budget section reports; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,803,315	\$224,939	\$20,028,254
Accrued leave payments	570,412	(570,412)	0

Operating expenses	14,356,788	(150,003)	14,206,785
Emergency commission contingency fund	700,000	0	700,000
Capital assets	2,251,065	1,738,944	3,990,009
Grants	430,000	125,000	555,000
Guardianship grants	828,600	500,000	1,328,600
Prairie public broadcasting	1,337,138	362,862	1,700,000
State student internship program	200,000	50,000	250,000
Health insurance pool - temporary employees	0	5,000,000	5,000,000
Total all funds	\$40,477,318	\$7,281,330	\$47,758,648
Less estimated income	<u>8,730,630</u>	<u>2,689,760</u>	<u>11,420,390</u>
Total general fund	\$31,746,688	\$4,591,570	\$36,338,258
Full-time equivalent positions	130.50	(8.00)	122.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2013-15	2015-17
Capitol complex parking lot repairs	\$4,000,000	\$0
Health insurance pool	2,000,000	0
Exterior restoration of legislative and j-wing	1,500,000	0
Repair and cleaning capitol and j-wing	1,200,000	0
Capitol south entrance	1,000,000	0
Prairie public broadcasting	600,000	0
North Dakota 125th anniversary coordinator	190,000	0
Energy impact funding	8,500,000	0
Transfer to property tax relief	315,210,000	0
Information technology hardware relocation study	200,000	0
Student internship	0	50,000
Facility projects	0	205,000
Signage on the capitol grounds	0	1,400,000
West parking lot repair	0	50,000
ACA health insurance	0	5,000,000
Facility management projects	0	1,825,009
Legislative wing electrical-related repairs	0	310,000
Total all funds	\$334,400,000	\$8,840,009
Less estimated income	<u>5,500,000</u>	<u>4,210,000</u>
Total general fund	\$328,900,000	\$4,630,009

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The office of management and budget shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - TRANSFER - TAX RELIEF FUND TO GENERAL FUND. There is appropriated out of any moneys in the tax relief fund in the state treasury, not otherwise appropriated, the sum of \$657,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the general fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - TARGETED MARKET EQUITY POOL - LEGISLATIVE MANAGEMENT REPORT.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,750,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$740,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency targeted market equity salary funding pool to provide compensation adjustments for state employees in accordance with the provisions of this section. The market equity increases must be prioritized based on a statewide plan prepared by the office of management and budget within the funding available in the pool. The plan must address occupational market disparities, economic growth areas, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. The plan must give priority to employees whose salary is in the first or second quartile of their assigned salary range and employees whose salary is below the average classified state employee salary level.

One-half of the market equity pool funding is available for market equity adjustments in July 2015, to be paid in August 2015, and any remaining funding in the pool is available for market equity adjustments in July 2016, to be paid in August 2016. The market equity adjustments must be provided after any general compensation increase authorized by the sixty-fourth legislative assembly for these respective months and are independent of the general compensation increases. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity salary pool line item included in section 1 of this Act to eligible agencies for approved market equity salary adjustments. The office of management and budget shall provide a report to the legislative management regarding its statewide plan and any appropriation authority transferred from the pool.

Employees in the following agencies are eligible to receive a targeted market equity salary adjustment under this section:

1. Adjutant general;
2. Veterans' home;
3. State department of health;
4. Department of human services; and
5. Protection and advocacy project.

SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL - LEGISLATIVE MANAGEMENT REPORT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,400,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$5,565,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funds provided under this section are considered a one-time funding item and may not be continued into the biennium beginning July 1, 2017, and ending June 30, 2019.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. As part of the application, an agency must document how the agency will discontinue energy impact adjustments for employees at the end of the biennium. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

The office of management and budget shall provide a report to the legislative management regarding distributions from the energy development impact funding pool. Each agency receiving a distribution from the energy impact funding pool must provide a report to the legislative management regarding its plan to discontinue energy impact adjustments for employees at the end of the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. GENERAL FUND APPROPRIATION AND TRANSFER - HIGHWAY FUND APPROPRIATION - DEPARTMENT OF TRANSPORTATION.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$18,000,000, which the director of the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017.
2. There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$18,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. CONTINGENT GENERAL FUND TRANSFER AND HIGHWAY FUND APPROPRIATION - DEPARTMENT OF TRANSPORTATION.

1. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, which the director of the office of management and budget shall transfer to the highway fund, during the biennium beginning July 1, 2015, and ending June 30, 2017. If a transfer of funds occurs under this subsection, there is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhanced state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017.
2.
 - a. The transfer and appropriation in subsection 1 of this section is available only if the director of the office of management and budget determines actual general fund revenues for the period beginning February 1, 2015, and ending June 30, 2015, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$20,000,000.
 - b. For purposes of this subsection, "estimated general fund revenues" excludes transfers to the general fund from the strategic investment and improvements fund, property tax relief fund, the lottery, the mill and elevator, and gas tax administration.

SECTION 8. CONTINGENT GENERAL FUND AND STRATEGIC INVESTMENT AND IMPROVEMENTS FUND APPROPRIATIONS AND TRANSFERS - STATE BOARD OF HIGHER EDUCATION - DEPARTMENT OF TRANSPORTATION - BUDGET SECTION APPROVAL - BUDGET SECTION REPORT.

1. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000, or so much of the sum as may be necessary, to the state board of higher education for the Valley City state university fine arts building project, including the demolition of two existing buildings, for the biennium beginning July 1, 2015, and ending June 30, 2017.
2. Subject to the provisions of this section, the director of the office of management and budget shall transfer the sum of \$25,850,000 from the strategic investment and improvements fund to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. If a transfer of funds occurs under this subsection, there is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhanced state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017.
3. Subject to the provisions of this section, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000, or so much of the sum as may be necessary, to the state board of higher education for the North Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.
4. Subject to the provisions of this section, the director of the office of management and budget shall transfer the sum of \$46,000,000 from the general fund to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. If a transfer of funds occurs under this subsection, there is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhanced state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017.
5. a. The appropriations and transfers in subsections 1 and 2 of this section are available only if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000, or if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$126,000,000. If the appropriations and transfers under this subdivision become available, the state board of higher education shall provide a report to the budget section regarding the status of the Valley City state university fine arts building project.

- b. The appropriations and transfers in subsections 3 and 4 of this section are available, subject to budget section approval, only if the director of the office of management and budget determines actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$250,000,000. Additionally, the appropriation in subsection 3 is available only if the state board of higher education certifies to the budget section that the Dunbar Hall project conforms to the university system master plan and space utilization study and the board receives budget section approval to proceed with the project. The board may not seek approval from the budget section to proceed with the project until the state auditor's office performance audit of the university system space utilization study is completed.
- c. For purposes of this subsection, "estimated general fund revenues" excludes the unobligated general fund balance on July 1, 2015, and transfers to the general fund from the strategic investment and improvements fund, tax relief fund, the lottery, the mill and elevator, and gas tax administration.

SECTION 9. APPROPRIATION - STATE AUDITOR. There is appropriated out of special funds derived from other income from fees charged to the North Dakota university system, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the state auditor for the purpose of conducting information technology security audits of the eleven institutions in the North Dakota university system, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. APPROPRIATION - LEGISLATIVE ASSEMBLY - MEETING ROOMS - REPORTS TO LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000 or so much of the sum as may be necessary, to the legislative assembly for the purpose of purchasing and installing audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms within the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding appropriated in this section is considered a one-time funding item.

The state court administrator shall provide periodic reports to the legislative procedure and arrangements committee during the 2015-16 interim regarding the status of the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly.

SECTION 11. APPROPRIATION - LEGISLATIVE COUNCIL - CONSULTANTS FOR INTERIM STUDY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants to study oil and gas tax incentives and oil and gas recovery techniques, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 12. APPROPRIATION - JUDICIAL WING REMODELING PROJECT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,693, or so much of the sum as may be

necessary, to the judicial branch for the purpose of defraying the additional costs of the remodeling project in the judicial wing, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 13. CONTINGENT APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - TRANSPORTATION GRANTS. If any funding appropriated to the superintendent of public instruction for integrated formula payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2015, and ending June 30, 2017, the superintendent shall provide up to \$3,000,000 of the funds remaining for additional transportation grants. The superintendent shall prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

SECTION 14. ESTIMATED INCOME - CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes \$1,710,000 from the capitol building fund, of which \$1,400,000 is for capitol building entrance and signage projects and \$310,000 is for legislative wing electrical and ceiling repairs.

SECTION 15. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$500,000 from the general fund for the purpose of providing community service supervision grants. The director of the office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2015, and ending June 30, 2017, to North Dakota community corrections association regions as follows:

Barnes County	\$12,121
Bismarck (urban)	27,057
Bismarck (rural)	14,223
Devils Lake	14,329
Dickinson	16,911
Fargo	32,169
Grand Forks	26,404
Jamestown	18,511
Minot	21,592
Richland County	13,241
Rugby	15,543
Sargent County	10,781
Wells County	10,919
Williston	<u>16,199</u>
Total	\$250,000

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 16. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems, during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 17. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State memberships and related expenses	\$611,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

SECTION 18. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 19. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 20. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line items, as it relates to compensation increases authorized in section 21 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017. The agencies shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 21. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-fourth legislative assembly that 2015-17 biennium compensation adjustments for classified state employees for each year of the biennium are to be a performance component in a range of two to four percent based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The increases for the first year of the biennium are to be given beginning with the month of July 2015, to be paid in August 2015, and for the second year of the biennium are to be given beginning with the month of July 2016, to be paid in August 2016.

Probationary employees are not entitled to the performance increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow section 54-44.3-01.2, compensation philosophy statement.

Compensation adjustments for regular nonclassified state employees, excluding employees under the control of the state board of higher education, are to be in a range of two to four percent based on market and documented performance and are not to be the same percentage increase for each employee.

Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 22. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.

The funding appropriated to the department of human services in Senate Bill No. 2289 as approved by the sixty-fourth legislative assembly, relating to assistive technology services is considered one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 23. STUDENT LOAN TRUST FUND - STATE DEPARTMENT OF HEALTH - DENTAL LOAN REPAYMENT PROGRAM. The estimated income line item of section 1 of House Bill No. 1004, as approved by the sixty-fourth legislative assembly, includes the sum of \$360,000, or so much of the sum as may be necessary, from the student loan trust fund for the dental loan repayment program administered by the state department of health for the biennium beginning July 1, 2015, and ending June 30, 2017.

***SECTION 24. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove all university system office personnel, fix their salaries within the limits of legislative appropriations, fix their terms of office, and prescribe their duties. The board shall adopt a policy that provides that each vice chancellor in the university system office is considered to have resigned the individual's position as a vice chancellor upon the appointment of a commissioner of higher education.

SECTION 25. A new section to chapter 44-04 of the North Dakota Century Code is created and enacted as follows:

Requests for records by members of the legislative assembly and the legislative council.

Notwithstanding section 44-04-18.6, any record of the legislative council relating to a request for public records made by the legislative council on behalf of a member of the legislative assembly is a public record. The legislative council shall maintain a written or digital record of any request for public records made on behalf of a member of the legislative assembly which identifies the member of the legislative assembly who made the request.

SECTION 26. AMENDMENT. Section 48-08-04 of the North Dakota Century Code is amended and reenacted as follows:

48-08-04. Use of legislative assembly rooms and halls.

During the interim between legislative sessions, the committee rooms, halls, passageways, and other space in the capitol used by the legislative assembly, including the pioneer room and three additional meeting rooms comprising approximately four thousand square feet in the judicial wing of the capitol, may not be used without authorization of the legislative council.

¹² **SECTION 27. AMENDMENT.** Subsection 3 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

3. Retirement dates are defined as follows:

¹² Section 54-52-17 was also amended by section 6 of House Bill No. 1062, chapter 259, section 28 of Senate Bill No. 2015, chapter 49, and section 4 of Senate Bill No. 2102, chapter 424.

- a. Normal retirement date, except for a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, is:
- (1) The first day of the month next following the month in which the member attains the age of sixty-five years; or
 - (2) When the member has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
- b. Normal retirement date for members first enrolled after December 31, 2015, except for a national guard security officer or firefighter, a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a supreme court or district court judge, is:
- (1) The first day of the month next following the month in which the member attains the age of sixty-five years; or
 - (2) When the member has a combined total of years of service credit and years of age equal to ninety and the member attains a minimum age of sixty and has not received a retirement benefit under this chapter.
- b-c. Normal retirement date for a national guard security officer or firefighter is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty-five years and has completed at least three eligible years of employment as a national guard security officer or firefighter.
- e-d. Normal retirement date for a peace officer or correctional officer employed by a political subdivision is:
- (1) The first day of the month next following the month in which the peace officer or correctional officer attains the age of fifty-five years and has completed at least three eligible years of employment as a peace officer or correctional officer; or
 - (2) When the peace officer or correctional officer has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
- e-e. Normal retirement date for a peace officer employed by the bureau of criminal investigation is:
- (1) The first day of the month next following the month in which the peace officer attains the age of fifty-five years and has completed at least three eligible years of employment as a peace officer; or
 - (2) When the peace officer has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
- e-f. Postponed retirement date is the first day of the month next following the month in which the member, on or after July 1, 1977, actually severs or

has severed the member's employment after reaching the normal retirement date.

f-g. Early retirement date, except for a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment. For a national guard security officer or firefighter, early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment. For a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, early retirement date is the first day of the month next following the month in which the peace officer or correctional officer attains the age of fifty years and has completed at least three years of eligible employment.

g-h. Disability retirement date is the first day of the month after a member becomes permanently and totally disabled, according to medical evidence called for under the rules of the board, and has completed at least one hundred eighty days of eligible employment. For supreme and district court judges, permanent and total disability is based solely on a judge's inability to perform judicial duties arising out of physical or mental impairment, as determined pursuant to rules adopted by the board or as provided by subdivision a of subsection 3 of section 27-23-03. A member is eligible to receive disability retirement benefits only if the member:

- (1) Became disabled during the period of eligible employment; and
- (2) Applies for disability retirement benefits within twelve months of the date the member terminates employment.

A member is eligible to continue to receive disability benefits as long as the permanent and total disability continues and the member submits the necessary documentation and undergoes medical testing required by the board, or for as long as the member participates in a rehabilitation program required by the board, or both. If the board determines that a member no longer meets the eligibility definition, the board may discontinue the disability retirement benefit. The board may pay the cost of any medical testing or rehabilitation services it deems necessary and these payments are appropriated from the retirement fund for those purposes.

¹³ **SECTION 28. AMENDMENT.** Subsection 4 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

4. The board shall calculate retirement benefits as follows:
 - a. Normal retirement benefits for all retirees, except supreme and district court judges, reaching normal retirement date equal an annual amount,

¹³ Section 54-52-17 was also amended by section 6 of House Bill No. 1062, chapter 259, section 27 of Senate Bill No. 2015, chapter 49, and section 4 of Senate Bill No. 2102, chapter 424.

payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:

- (1) Service benefit equals two percent of final average salary multiplied by the number of years of service employment.
 - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
- (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
 - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
- c. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
- d. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning prior to the normal retirement date, which is the earlier of age sixty-five or the age at which current service plus age equals eighty-five. Except for a national guard security officer or firefighter, a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.
- e. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

SECTION 29. A new section to chapter 54-52.6 of the North Dakota Century Code is created and enacted as follows:

Changes to election.

1. In this section the term "participating member" is limited in application to a participating member who elected to participate in the defined contribution retirement plan established under this chapter as an active employee of a participating employer, is an actively participating member of the defined contribution plan as of the effective date of this Act, and is an active employee with a participating employer on the date an election is made under this section. The term does not include a participant who is not actively employed with a participating employer on the date of transfer of the funds under this section, has taken a distribution from the defined contribution plan, is retired, is no longer actively employed with a participating employer, or who is a member who has a qualified domestic relations order or other court order on the member's account.
2. Notwithstanding any other provision of law, the board shall provide an opportunity for each participating member to elect in writing to terminate membership in the defined contribution retirement plan under this chapter and to elect to become a participating member in the public employees retirement system under chapter 54-52.
3. The board shall establish a three-calendar-month election period beginning not later than February 1, 2016. A participating member who does not make a written election or who does not file the election with the North Dakota public employees retirement system office during the period specified in this section continues to be a member of the defined contribution plan. A participating member who makes and files a written election with the North Dakota public employees retirement system office under this section ceases to be a member of the defined contribution plan upon receipt by the public employees retirement system of the accumulated fund balance of the member's defined contribution plan under this chapter and waives all rights to that employee's accumulated fund balance under the defined contribution plan. If the executive director of the North Dakota public employees retirement system determines a participating member was not adequately notified of the option to make an election under this section, the executive director may provide that participating member a reasonable time, not to exceed three months, within which to make that election.
4. The public employees retirement system shall credit the transferring employee with the service credit and salary history reflected on the public employees retirement system's electronic database.
5. The board shall determine the method by which a participating member may make a written election under this section. If the participating member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the executive director of the North Dakota public employees retirement system may waive this spousal signature requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
6. For a participating member who elects to terminate membership in the defined contribution plan under this section, the board shall transfer that member's accumulated fund balance, less any rollovers from other plans made into the

defined contribution plan, to the public employees retirement system under chapter 54-52. If funds are transferred from the defined contribution plan to the defined benefit plan under an election made under this section, the board shall record this transfer to the defined benefit plan as employee and employer contributions in the same manner as transferred by the defined contribution provider. If a participating member has a separate account attributable to rollover contributions to the defined contribution plan pursuant to section 54-52.6-09.1, the participating member shall make an election to receive a distribution of the entire amount held in the rollover account at the time of transfer.

7. A participating member who elects a transfer under this section is entitled to vested employer contribution amounts under section 54-52-11.1 prospectively from the date of transfer. A participating member who elects a transfer under this section must be assessed and required to pay monthly to the defined benefit plan an additional employee contribution of an additional two percent of the monthly salary or wages paid to the member.

SECTION 30. AMENDMENT. Section 55-01-02.1 of the North Dakota Century Code is amended and reenacted as follows:

55-01-02.1. Society to have jurisdiction over heritage center.

The society has jurisdiction over the administration and operations of the North Dakota heritage center building. The director of the office of management and budget is responsible for maintenance of the heritage center building. The society shall maintain the collections displayed and stored at the heritage center and shall provide, or arrange, for the security of those collections. The society shall establish a policy that authorizes the consumption of alcoholic beverages, including distilled spirits as defined in section 5-01-01, at the heritage center during an event that is open only to invited guests and if the alcoholic beverages are dispensed by a qualified alcoholic beverage licensee.

¹⁴ **SECTION 31. AMENDMENT.** Subsection 3 of section 57-38-01.7 of the North Dakota Century Code as amended by section 1 of House Bill No. 1462, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

3. At the election of the taxpayer, there must be allowed, subject to the applicable limitations provided in this subsection, as a nonrefundable credit against the income tax liability under section 57-38-30 or, in the case of contributions by a passthrough entity, under section 57-38-30.3 for the taxable year, an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the year directly to nonprofit private institutions of primary education, located within the state. The amount allowable as a credit under this subsection for any taxable year may not exceed twenty percent of the taxpayer's total income tax under this chapter for the year, or two thousand five hundred dollars, whichever is less.

SECTION 32. Subdivision b of subsection 3 of section 57-51.1-03 of the North Dakota Century Code as amended in section 5 of House Bill No. 1476, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

¹⁴ Section 57-38-01.7 was also amended by section 1 of House Bill No. 1462, chapter 448.

- b. ~~The incremental production from a tertiary recovery project that does not use carbon dioxide and which has been certified as a qualified project by the industrial commission is exempt from any taxes imposed under this chapter for a period of ten years from the date the incremental production begins. Incremental production from a tertiary recovery project that uses carbon dioxide in afrom a horizontal well drilled and completed outsidewithin the Bakken and Three Forks formations, and ten miles [16.10 kilometers] or more outside an established field in which the industrial commission has defined the pool to include the Bakken or Three Forks formation and which has been certified as a qualified project by the industrial commission is not exempt from July 1, 2015, through June 30, 2017, and is thereafter exempt from any taxes imposed under this chapter for a period of five years from July 1, 2017, or the date the incremental production begins, whichever is later.~~

***SECTION 33. AMENDMENT.** Subsection 2 of section 61-16.1-09 of the North Dakota Century Code is amended and reenacted as follows:

2. Exercise the power of eminent domain in the manner provided by title 32 for the purpose of acquiring and securing any rights, titles, interests, estates, or easements necessary or proper to carry out the duties imposed by this chapter, ~~and particularly to.~~ A water resource board may acquire the necessary rights in land for the construction of dams, flood control projects, and other water conservation, distribution, and supply works of any nature and to permit the flooding of lands, and to. In addition, a water resource board may secure the right of access to suchthese dams and other devices and the right of public access to any impounded waters impounded thereby. ~~Provided, however, that when~~ if the interest sought to be acquired is a right of way for ~~any~~ a project authorized in this chapter for which federal ~~or state~~ funds have been appropriated or state funds have been appropriated by the legislative assembly for a specific project, the ~~district~~ board, after making a written offer to purchase the right of way and depositing the amount of the offer with the clerk of the district court of the county wherein the right of way is located, ~~may thereupon~~ take immediate possession of the right of way, as authorized by section 16 of article I of the Constitution of North Dakota. Within thirty days after notice has been given in writing to the landowner by the clerk of the district court that a deposit has been made for the taking of a right of way as authorized in this subsection, the owner of the property taken may appeal to the district court by serving a notice of appeal upon the acquiring agency, and the matter must be tried at the next regular or special term of court with a jury unless a jury be waived, in the manner prescribed for trials under chapter 32-15.

SECTION 34. Section 1 of Senate Bill No. 2019, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department, for providing funding to the Lewis and Clark interpretive center, and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,573,593	\$598,129	\$3,171,722
Accrued leave payments	181,577	(181,577)	0
Park operations and maintenance	15,045,525	20,128,406	35,173,931
Recreation	5,585,875	2,021,544	7,607,419
<u>Total all funds</u>	<u>\$23,386,570</u>	<u>\$22,566,502</u>	<u>\$45,953,072</u>
Less estimated income	10,505,431	4,357,404	14,862,835
<u>Total general fund</u>	<u>\$12,881,139</u>	<u>\$18,209,098</u>	<u>\$31,090,237</u>
Recreation	5,585,875	1,711,245	7,297,120
<u>Total all funds</u>	<u>\$23,386,570</u>	<u>\$22,256,203</u>	<u>\$45,642,773</u>
<u>Less estimated income</u>	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
<u>Total general fund</u>	<u>\$12,881,139</u>	<u>\$17,898,799</u>	<u>\$30,779,938</u>
Full-time equivalent positions	55.00	11.00	66.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$973,699	\$535,297	\$1,508,996
<u>Total general fund</u>	<u>\$973,699</u>	<u>\$535,297</u>	<u>\$1,508,996</u>

Subdivision 3.

LEWIS AND CLARK INTERPRETIVE CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Lewis and Clark interpretive center	\$0	\$1,005,279	\$1,005,279
<u>Total general fund</u>	<u>\$0</u>	<u>\$1,005,279</u>	<u>\$1,005,279</u>

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$13,854,838	\$19,749,674	\$33,604,512
Grand total special funds	10,505,431	4,357,404	14,862,835
Grand total all funds	\$24,360,269	\$24,107,078	\$48,467,347
<u>Grand total general fund</u>	<u>\$13,854,838</u>	<u>\$19,439,375</u>	<u>\$33,294,213</u>
<u>Grand total special funds</u>	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
<u>Grand total all funds</u>	<u>\$24,360,269</u>	<u>\$23,796,779</u>	<u>\$48,157,048</u>

SECTION 35. Section 2 of Senate Bill No. 2019, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third

legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Parks enhancements	\$3,897,800	\$14,750,000
Parks equipment	350,000	600,000
Lewis and Clark interpretive center grant	1,350,000	0
Parks strategic plans	100,000	0
Community grant program	500,000	500,000
International Peace Garden capital projects	1,250,000	335,297
Trail lease renewals	0	200,000
Web application for snowmobile registration	0	340,299
Statewide comprehensive outdoor recreation plan	0	90,000
Repairs at Lewis and Clark interpretive center	0	75,000
50th anniversary	0	25,000
Retirement leave payouts	0	100,000
International Peace Garden demolition project	0	200,000
<u>Total all funds</u>	<u>\$7,447,800</u>	<u>\$17,185,596</u>
Less estimated income	1,270,300	345,000
<u>Total general fund</u>	<u>\$6,177,500</u>	<u>\$16,840,596</u>
<u>Total all funds</u>	<u>\$7,447,800</u>	<u>\$16,875,297</u>
<u>Less estimated income</u>	<u>1,270,300</u>	<u>345,000</u>
<u>Total general fund</u>	<u>\$6,177,500</u>	<u>\$16,530,297</u>

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 36. REPEAL. Section 54-44-06 of the North Dakota Century Code is repealed.

SECTION 37. REPEAL. Section 5 of House Bill No. 1003, as approved by the sixty-fourth legislative assembly, is repealed.

SECTION 38. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION - SEVERANCE PAY. Notwithstanding any policy adopted by the board, the state board of higher education or an institution under its control may not approve or provide severance pay to any employee whose employment is terminated as a result of the transfer of positions from the state board of higher education to the attorney general as provided in House Bill No. 1003 as approved by the sixty-fourth legislative assembly.

SECTION 39. LEGISLATIVE INTENT - OIL AND GAS IMPACT GRANTS TO AIRPORTS. It is the intent of the sixty-fourth legislative assembly that of the funding designated for grants to airports impacted by oil and gas development included in subsection 1 of section 5 of House Bill No. 1176, as approved by the sixty-fourth legislative assembly, a grant award of at least \$39,000,000 be awarded to the airport in the hub city as defined under section 57-51-01 that received the highest total allocation under subsection 1 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014, and a grant award of at least \$5,800,000 be awarded to the airport in the hub city as defined under section 57-51-01 that received the second highest total allocation under subsection 1 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014. It is also the intent of the sixty-fourth legislative assembly that the grant awards designated under this section must be awarded without a local matching requirement.

SECTION 40. LEGISLATIVE MANAGEMENT STUDY - BUDGET SECTION FUNCTIONS. During the 2015-16 interim, the legislative management shall study the functions of the budget section. The study must review the duties and studies assigned to the budget section and the ability of the budget section to authorize financial decisions, including full-time equivalent positions, university system building projects, and project scope changes. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 41. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING DISTRIBUTIONS TO POLITICAL SUBDIVISIONS. During the 2015-16 interim, the legislative management shall consider studying special transportation funding distributions to political subdivisions. The study must review distribution methods including the feasibility and desirability of using upper great plains transportation institute needs studies, county major collector miles, or a combination of both, if there are future special transportation funding distributions to political subdivision, and must review options to ensure counties are reporting information consistently. The legislative management shall consider methods to ensure that road projects in each county are properly coordinated with state road projects and projects in adjacent counties. The study must also review the use of special transportation funding in comparison to the legislative assembly's intent. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 42. LEGISLATIVE MANAGEMENT STUDY - ENHANCED OIL AND GAS RECOVERY. During the 2015-16 interim, the legislative management shall study the current scientific and economic information regarding oil and gas recovery and enhanced recovery techniques, including the use of carbon dioxide, the timeline for implementing the techniques, and the estimated future annual economic impact, to evaluate existing and alternative tax incentives and recommend tax incentives that under current and foreseeable conditions, and within different oil formations, would best serve the interests of the state, political subdivisions, and fossil fuel energy production industries. The legislative management shall report its recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 43. EFFECTIVE DATE. Section 31 of this Act is effective for taxable years beginning after December 31, 2014, and section 32 of this Act is effective for taxable events occurring after December 31, 2015, and for a tertiary recovery project the exemption of five years applies only for a project from which incremental production begins after December 31, 2015.

SECTION 44. EMERGENCY. Funding of \$1,550,000 in the operating expenses line item in section 1 and section 15 of House Bill No. 1018, as approved by the sixty-fourth legislative assembly; section 1 of House Bill No. 1255, as approved by the sixty-fourth legislative assembly; and section 30 of this Act are declared to be an emergency measure.

Approved May 13, 2015
Filed May 15, 2015

* Sections 24 and 33 of Senate Bill No. 2015 were vetoed, see chapter 488.

CHAPTER 50

SENATE BILL NO. 2016

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

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide an appropriation to the information technology department; to provide for transfers; to provide exemptions; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017 as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,063,904	\$636,876	\$6,700,780
Operating expenses	4,112,891	210,000	4,322,891
Capital assets	200,632	187,414	388,046
Grants	509,514	500,000	1,009,514
Civil air patrol	287,451	24,322	311,773
Tuition, recruiting, and retention	2,517,500	0	2,517,500
Air guard contract	11,483,158	(3,428,604)	8,054,554
Army guard contract	59,192,835	750,414	59,943,249
Veterans' cemetery	647,005	164,481	811,486
Reintegration program	1,491,980	411,763	1,903,743
Accrued leave payments	812,098	(812,098)	0
Total all funds	\$87,318,968	(\$1,355,432)	\$85,963,536
Less estimated income	<u>70,164,642</u>	<u>(3,230,290)</u>	<u>66,934,352</u>
Total general fund	\$17,154,326	\$1,874,858	\$19,029,184

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,553,021	\$1,816,888	\$12,369,909
Operating expenses	8,364,488	2,882,981	11,247,469
Capital assets	682,000	58,000	740,000
Grants	19,373,247	500,000	19,873,247
Disaster costs	147,718,567	(39,553,083)	108,165,484

Radio communications	0	626,000	626,000
Accrued leave payments	<u>283,895</u>	<u>(283,895)</u>	<u>0</u>
Total all funds	\$186,975,218	(\$33,953,109)	\$153,022,109
Less estimated income	<u>177,679,955</u>	<u>(38,461,780)</u>	<u>139,218,175</u>
Total general fund	\$9,295,263	\$4,508,671	\$13,803,934

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$26,449,589	\$7,883,529	\$34,333,118
Grand total special funds	<u>247,844,597</u>	<u>(39,692,070)</u>	<u>208,152,527</u>
Grand total all funds	\$274,294,186	(\$31,808,541)	\$242,485,645
Full-time equivalent positions	246.00	(12.00)	234.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
State radio tower package	\$1,175,000	0
Statewide seamless base map	1,150,000	0
State radio communications center	1,201,240	0
Computer-aided dispatch upgrade	340,000	0
Voice incident recorder	150,000	0
State radio suppression project	210,000	0
Disaster coordination contract	1,500,000	200,000
Veterans' bonus program	600,000	500,000
Veterans' book	50,000	0
Veterans' tuition assistance	375,000	0
Next generation 911	0	386,000
Microsoft SQL enterprise for CAD	0	90,000
Message switch test server	0	70,000
Radio tower redundancy	0	80,000
Disaster recovery assistance contract	0	1,000,000
Emergency response supplies	0	550,000
Veterans' cemetery land purchase	0	139,000
Firefighter stipends	0	500,000
Firefighter training	0	<u>1,200,000</u>
Total all funds	\$6,751,240	\$4,715,000
Less estimated income	<u>2,000,000</u>	<u>1,769,500</u>
Total general fund	\$4,751,240	\$2,945,500

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The adjutant general shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION - STATE DISASTER RELIEF FUND.

Notwithstanding section 37-17.1-27, there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the adjutant general for

the purpose of providing for repair and replacement of infrastructure and for removal of debris and other health hazards in recreation service districts that are experiencing chronic flooding, for the period beginning with the effective date of this Act, and ending June 30, 2017. The adjutant general shall consult with the environmental division of the state department of health regarding the process of environmental cleanup.

SECTION 4. APPROPRIATION - INFORMATION TECHNOLOGY DEPARTMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the information technology department for the purpose of planning and coordinating the implementation of the statewide radio interoperability network as provided in section 6 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 5. STATEWIDE RADIO INTEROPERABILITY NETWORK - LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The information technology department, under the direction of the statewide interoperability executive committee, shall determine the feasibility and desirability of implementing a statewide radio interoperability network. The department shall consult with representatives of political subdivisions and private entities affected by the implementation of the network to determine participation in the project. If the department determines it is feasible and desirable to proceed with the project, the department shall enter into agreements, including joint powers agreements, with affected entities to delineate the roles and responsibilities of each entity to implement the project. The agreements must detail estimated future project costs to be paid by each entity.

The information technology department shall report to the appropriations committees of the sixty-fifth legislative assembly regarding the department's evaluation of the project, participation by affected entities, and recommendations for proceeding with the project or discontinuing future participation. It is the intent of the sixty-fourth legislative assembly that future legislative appropriations be provided for the state's share of the core project if the information technology department determines it is feasible and desirable to proceed with the project.

SECTION 6. STATE RADIO POSITIONS - REALIGNMENT. The salaries and wages line item in subdivision 2 of section 1 of this Act includes \$192,621 from the general fund to realign state radio dispatch positions within the employee classification system.

SECTION 7. INSURANCE TAX DISTRIBUTION FUND - FIRE DEPARTMENT PAYMENTS - FIREFIGHTER TRAINING STIPENDS. Notwithstanding chapter 18-04, the insurance commissioner, as requested by the director of the department of emergency services, shall provide up to \$500,000 of funding appropriated from the insurance tax distribution fund in section 2 of Senate Bill No. 2010 as approved by the sixty-fourth legislative assembly, to the department of emergency services for the purpose of providing stipends to firefighters participating in approved training activities, for the biennium beginning July 1, 2015, and ending June 30, 2017. Any funds not used pursuant to this section by June 30, 2017, must be retained in the insurance tax distribution fund for disbursement to fire districts during the 2017-19 biennium.

SECTION 8. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in

the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds which are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 9. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2015, and ending June 30, 2017. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 10. FUNDING TRANSFERS - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - EXCEPTION. Notwithstanding section 54-16-04, the adjutant general may transfer appropriation authority between line items within each subdivision of section 1 of this Act and between subdivisions within section 1 of this Act, as it relates to state employee compensation increases authorized by the sixty-fourth legislative assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The adjutant general shall notify the office of management and budget of any transfer made under this section.

SECTION 11. EXEMPTION. The amount appropriated in the radio communications line for statewide seamless base map, state radio tower package, computer-aided dispatch upgrade, and the voice incident recorder, in subdivision 2 of section 1 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 12. EXEMPTION. The amount appropriated in the operating expenses line for the computer-aided dispatch upgrade and the disaster coordination contract in subdivision 2 of section 1 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for these purposes during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. EXEMPTION. The amount appropriated in the operating expenses line for the writing, publishing, and distribution of a record of all North Dakota veterans, including a record of all North Dakotans killed in action and missing in action since statehood, subdivision 1 of section 1 of chapter 16 of the 2013 Session Laws is not subject to 54-44.1-11 and any unexpended funds are available for the collecting of information on North Dakotans who served in a theatre or area of armed conflict since the Vietnam conflict during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 15. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in section 3 of chapter 16 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may

be used to provide tuition assistance to eligible members of the North Dakota national guard, during the biennium beginning July 1, 2015, and ending June 30, 2017, contingent upon the adjutant general certifying to the office of management and budget that the national guard has received a new assignment in association with the Grand Forks air force base.

SECTION 16. EXEMPTION. Any amounts carried over pursuant to section 9 of chapter 16 of the 2013 Session Laws that is unexpended as of June 30, 2015 is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 17. EXEMPTION. Any amounts carried over in the radio communications line for the state radio tower package pursuant to section 10 of chapter 16 of the 2013 Session Laws that is unexpended as of June 30, 2015, is not subject to section 54-44.1-11. Any unexpended funds are available for state radio tower package costs during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 18. EXEMPTION. Any amounts carried over in the disaster costs line for flood relief or disaster mitigation projects in incorporated cities, and grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding pursuant to section 11 of chapter 16 of the 2013 Session Laws that is unexpended as of June 30, 2015, is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 19. EXEMPTION. Any amounts carried over in the disaster costs line for grants to cities and counties for flood-impacted housing rehabilitation pursuant to section 12 of chapter 16 of the 2013 Session Laws that is unexpended as of June 30, 2015, is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 20. EMERGENCY. Funding of \$500,000 from the general fund in the grants line item in subdivision 1 of section 1 of this Act, relating to the veterans' bonus program, funding of \$386,000 from the general fund in the radio communications line item in subdivision 2 of section 1 of this Act, relating to next generation 911, funding of \$209,280 from the general fund in the operating line item in subdivision 2 of section 1 of this Act, relating to next generation 911 maintenance, funding of \$382,000 from the general fund in the operating line item in subdivision 2 of section 1 of this Act relating to statewide base map maintenance, and funding of \$2,000,000 from the state disaster relief fund in section 3 of this Act relating to repair and replacement of infrastructure and removal of debris and other health hazards, are declared to be an emergency measure.

Approved May 13, 2015
Filed May 14, 2015

CHAPTER 51

SENATE BILL NO. 2017

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

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; to create and enact a new section to chapter 20.1-08 of the North Dakota Century Code, relating to a gubernatorial proclamation concerning the hunting of elk; to provide for a legislative management study; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$25,899,606	\$3,770,636	\$29,670,242
Operating expenses	12,956,728	712,216	13,668,944
Capital assets	3,885,061	1,612,935	5,497,996
Grants	7,122,500	211,912	7,334,412
Land habitat and deer depredation	12,707,403	4,215,278	16,922,681
Noxious weed control	650,000	50,000	700,000
Missouri River enforcement	275,939	6,601	282,540
Grants, gifts, and donations	800,000	27,519	827,519
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,935,636	(112,631)	1,823,005
Wildlife services	384,400	0	384,400
Accrued leave payments	<u>816,366</u>	<u>(816,366)</u>	<u>0</u>
Total special funds	\$67,553,639	\$9,678,100	\$77,231,739
Full-time equivalent positions	158.00	5.00	163.00

SECTION 2. GRANTS, GIFTS, AND DONATIONS LINE. The grants, gifts, and donations line item in section 1 of this Act includes up to \$400,000 received by the game and fish department for surface damage, easements, or reclamation on department owned or managed properties as a result of mineral exploration and extraction activities.

SECTION 3. A new section to chapter 20.1-08 of the North Dakota Century Code is created and enacted as follows:

Governor's proclamation concerning the hunting of elk - Annie's house at Bottineau winter park raffle.

The governor may by proclamation provide for a season to hunt elk in a manner, number, places, and times as the governor prescribes. Licenses to hunt elk must be

issued by lottery, except as provided under subsection 7 of section 20.1-03-11, with only residents eligible to apply; however, the governor may by proclamation make available to Annie's house at Bottineau winter park a license to hunt elk in a manner, places, and times as the governor prescribes. Annie's house at Bottineau winter park shall hold a raffle under rules adopted by the director with residents and nonresidents eligible to participate. No more than ten percent of the gross proceeds of the raffle may be used to promote the raffle and all remaining net proceeds must be used to support the operations of Annie's house at Bottineau winter park. Annie's house at Bottineau winter park shall submit reports concerning the raffle as the director requires. An individual who has been convicted of illegally taking a moose, elk, or bighorn sheep is not eligible to receive a license under this section.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - LICENSES FOR FUNDRAISING. During the 2015-16 interim, the legislative management shall consider studying game and fish department licenses provided to entities for the purpose of fundraising. The study must include a review of the present law in this and other states and the feasibility and desirability of allowing the game and fish department to issue these licenses using procedures and within limits established by the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 5. EXPIRATION DATE. Section 3 of this Act is effective through June 30, 2017, and after that date is ineffective.

Approved April 27, 2015
Filed April 27, 2015

CHAPTER 52

SENATE BILL NO. 2018

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

AN ACT to provide an appropriation for defraying the expenses of the state historical society; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,367,710	\$2,670,279	\$14,037,989
Accrued leave payments	211,332	(211,332)	0
Operating expenses	2,666,016	2,003,649	4,669,665
Capital assets	1,699,725	2,750,569	4,450,294
Grants	1,000,000	(100,000)	900,000
Cultural heritage grants	504,500	0	504,500
Exhibits	0	300,000	300,000
Yellowstone-Missouri-Fort Union	<u>4,492</u>	<u>0</u>	<u>4,492</u>
Total all funds	\$17,453,775	\$7,413,165	\$24,866,940
Less estimated income	<u>3,221,964</u>	<u>302,937</u>	<u>3,524,901</u>
Total general fund	\$14,231,811	\$7,110,228	\$21,342,039
Full-time equivalent positions	68.00	10.00	78.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the Sixty-third Legislative Assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
North Dakota studies eighth grade curriculum	\$150,000	\$0
Historic sites exhibits	50,000	0
Project pool	950,000	0
State's 125th celebration planning	100,000	0
Technology costs	0	100,650
Fort Totten and Stutsman repairs	0	1,025,000
Electronic records project	0	264,000
Dakota the dinosaur	0	1,500,000
Traveling and historic sites exhibits	0	300,000
Promotion funding for historical events	0	200,000
Whitestone hill native memorial	<u>0</u>	<u>75,000</u>
Total all funds	\$1,250,000	\$3,464,650

Less estimated income	0	<u>225,000</u>
Total general fund	\$1,250,000	\$3,239,650

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The state historical society shall report to the appropriations committees of the Sixty-fifth Legislative Assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. APPROPRIATION - STATE DISASTER RELIEF FUND - DOUBLE DITCH HISTORIC SITE REPAIRS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, and from the state disaster relief fund in the state treasury, the sum of \$2,000,000, or so much of the sum as may be necessary, to the state historical society for double ditch historic site repairs, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. CONTINGENT LOAN AUTHORIZATION - APPROPRIATION - DOUBLE DITCH HISTORIC SITE REPAIRS. The state historical society may obtain a loan from the Bank of North Dakota in an amount not to exceed \$1,250,000, the sum of which is appropriated to the state historical society for the purpose of defraying the expenses of repairs to the Double Ditch historic site, for the biennium beginning July 1, 2015, and ending June 30, 2017. The loan authorization and appropriation in this section is contingent on the state historical society being unable to obtain assistance to contract with the adjutant general for the double ditch historic site repairs.

SECTION 7. LEGISLATIVE INTENT - DOUBLE DITCH HISTORIC SITE REPAIRS. If the state historical society is unable to complete the double ditch historic site repair project within the funding appropriated and raised for the project, it is the intent of the legislative assembly that the state historical society seek assistance from or contract with the adjutant general for the project. It is further the intent of the legislative assembly, that if necessary, the state historical society may request additional funds for the project from the sixty-fifth legislative assembly.

SECTION 8. WHITESTONE HILL NATIVE MEMORIAL - MATCHING FUNDS. Of the funds appropriated in the capital assets line item in section 1 of this Act, \$25,000 from the general fund and \$50,000 from other funds is for the Whitestone hill native memorial.

SECTION 9. EMERGENCY. The capital assets line item in section 1 of this Act which includes \$825,000, from the general fund for various capital projects, and section 5, are declared to be an emergency measure.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 53

SENATE BILL NO. 2019

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

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to provide a 2013-15 appropriation; to provide a grant to the International Peace Garden; to provide funding for the Lewis and Clark interpretive center; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department, for providing funding to the Lewis and Clark interpretive center, and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,573,593	\$598,129	\$3,171,722
Accrued leave payments	181,577	(181,577)	0
Park operations and maintenance	15,045,525	20,128,406	35,173,931
Recreation	<u>5,585,875</u>	<u>2,021,544</u>	<u>7,607,419</u>
Total all funds	\$23,386,570	\$22,566,502	\$45,953,072
Less estimated income	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
Total general fund	\$12,881,139	\$18,209,098	\$31,090,237
Full-time equivalent positions	55.00	11.00	66.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$973,699	\$535,297	\$1,508,996
Total general fund	\$973,699	\$535,297	\$1,508,996

Subdivision 3.

LEWIS AND CLARK INTERPRETIVE CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Lewis and Clark interpretive center	\$0	\$1,005,279	\$1,005,279
Total general fund	\$0	\$1,005,279	\$1,005,279

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$13,854,838	\$19,749,674	\$33,604,512
Grand total special funds	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
Grand total all funds	\$24,360,269	\$24,107,078	\$48,467,347

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Parks enhancements	\$3,897,800	\$14,750,000
Parks equipment	350,000	600,000
Lewis and Clark interpretive center grant	1,350,000	0
Parks strategic plans	100,000	0
Community grant program	500,000	500,000
International Peace Garden capital projects	1,250,000	335,297
Trail lease renewals	0	200,000
Web application for snowmobile registration	0	310,299
Statewide comprehensive outdoor recreation plan	0	90,000
Repairs at Lewis and Clark interpretive center	0	75,000
50th anniversary	0	25,000
Retirement leave payouts	0	100,000
International Peace Garden demolition project	0	<u>200,000</u>
Total all funds	\$7,447,800	\$17,185,596
Less estimated income	<u>1,270,300</u>	<u>345,000</u>
Total general fund	\$6,177,500	\$16,840,596

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000, or so much of the sum as may be necessary, included in the park operations and maintenance line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. DEFERRED MAINTENANCE AND ONE-TIME EQUIPMENT. The sum of \$535,297 in subdivision 2 of section 1 of this Act is allocated for certain deferred maintenance, one-time equipment purchases, and one-time costs for the peace tower demolition project for the International Peace Garden. The parks and recreation department shall assist with specification review for the deferred maintenance projects, the one-time equipment purchases, and the one-time costs of the peace tower demolition project before releasing the funds to the International Peace Garden.

SECTION 5. LEWIS AND CLARK INTERPRETIVE CENTER. The sum of \$455,000 from subdivision 3 of section 1 of this Act must be allocated for use at the Lewis and Clark interpretive center. Of this amount \$380,000 may be used only for building and maintenance costs and \$75,000 for one-time exterior building painting and staining costs. The total funds in this section must remain with the parks and recreation department and be released, on a reimbursement basis, based upon expenses agreed to between the Lewis and Clark interpretive center and the parks and recreation department.

SECTION 6. 2013-15 BIENNIUM APPROPRIATION - LEWIS AND CLARK INTERPRETIVE CENTER OPERATING COSTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$125,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of defraying operating costs of the Lewis and Clark interpretive center, for the period beginning with the effective date of this Act, and ending June 30, 2015.

SECTION 7. STATE PARK ENHANCEMENTS. The park operations and maintenance line item in subdivision 1 of section 1 of this Act includes one-time funding of \$14,750,000 for state park enhancements. Of this amount, \$3,000,000 is for the Lewis and Clark interpretive center, of which \$2,050,000 is for the transfer of the center and certain assets from the Lewis and Clark foundation, and \$950,000 is for operating costs of the Lewis and Clark interpretive center; and \$11,750,000 is for state park enhancements as determined necessary by the director of the parks and recreation department, including consideration for the repair, removal, or replacement of a timber bridge at the Roughrider Bridge trail, for the biennium beginning July 1, 2015, and ending June 30, 2017. The director of the parks and recreation department shall use funding from the \$11,750,000 to match federal funds of up to \$222,000 for the purchase of property adjacent to the north boundary of Fort Abraham Lincoln state park.

SECTION 8. EXEMPTION. Up to \$500,000 of community grants funding from the general fund included in the recreation line item contained in section 30 of chapter 15 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1.

SECTION 9. EXEMPTION. The sum of \$1,250,000 appropriated in the international peace garden line for repair of the peace tower at the International Peace Garden, in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing the project during the biennium beginning July 1, 2015, and ending June 30, 2017. Funding available for use by the International Peace Garden in this section will be subject to the International Peace Garden raising dollar for dollar matching funds from nonstate of North Dakota sources consistent with the 2013 North Dakota legislative language. The parks and recreation department shall review and

accept engineering proposals and specifications before committing additional funds to the project and shall assist with bidding and construction of any work associated with this section.

SECTION 10. EXEMPTION. Up to \$200,000 of Pembina gorge area project funding from the general fund included in the natural resources line item contained in section 30 of chapter 15 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for renting property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

SECTION 11. EMERGENCY. Funding of \$14,750,000 from the general fund in the park operations and maintenance line item in subdivision 1 of section 1 of this Act, relating to the enhancements at the state parks, and section 6 of this Act are declared to be an emergency measure.

Approved April 29, 2015
Filed April 30, 2015

CHAPTER 54

SENATE BILL NO. 2020

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

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to provide exemptions; to create and enact three new sections to chapter 61-02 of the North Dakota Century Code, relating to a Bank of North Dakota line of credit, to the state water commission cost-share policy, and to North Dakota outdoor heritage fund grants and cost-share; to amend and reenact section 54-35-02.7 of the North Dakota Century Code, relating to the water topics overview committee; to provide legislative intent; to designate funding; to provide contingent allocations; to provide for a report to the legislative assembly; to provide for legislative management reports; to provide for a legislative management study; to provide for a state water commission study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Accrued leave payments	\$325,774	(\$325,774)	\$0
Administrative and support services	4,716,665	818,953	5,535,618
Water and atmospheric resources	<u>822,365,166</u>	<u>297,035,052</u>	<u>1,119,400,218</u>
Total all funds	\$827,407,605	\$297,528,231	\$1,124,935,836
Full-time equivalent positions	90.00	7.00	97.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Excavator	\$243,200	\$0
Southwest water pipeline project	21,000,000	0
Grants for water	10,350,000	0
Office space renovation	<u>45,000</u>	<u>0</u>
Total all funds	\$31,638,200	\$0
Total special funds	<u>31,638,200</u>	<u>0</u>
Total general fund	\$0	\$0

SECTION 3. SOVEREIGN LANDS ENFORCEMENT GRANT. The administrative and support services line item in section 1 of this Act includes \$135,000 from the resources trust fund which the state water commission shall provide as a grant to the

game and fish department for law enforcement activities on sovereign lands in the state, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 4. SOVEREIGN LANDS RECREATION USE GRANT. The water and atmospheric resources line item in section 1 of this Act includes \$1,000,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 5. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION APPROVAL. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund which become available are appropriated, subject to budget section approval, to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 6. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the water and atmospheric resources line item in section 1 of this Act. However, this exclusion is only in effect for two years after June 30, 2017. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 7. BANK OF NORTH DAKOTA LOAN - BOND PAYMENTS. The state water commission shall obtain a loan from the Bank of North Dakota in an amount that may not exceed \$56,000,000 for the purpose of paying off or defeasing outstanding bond issues, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 8. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$69,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2015, and ending June 30, 2017. Any funds not spent by June 30, 2017, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects, including levees and dikes. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state.

SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-fourth legislative assembly that the state provide one-half of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$570,000,000. It is the intent of the sixty-fourth legislative assembly that \$120,000,000 of the \$570,000,000, be used for Fargo interior flood control projects and that any funds spent for Fargo interior flood control projects after July 1, 2017, require 50 percent matching funds from the Fargo flood authority. It is the intent of the sixty-fourth legislative assembly that the

\$266,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums, beginning July 1, 2017. It is the intent of the sixty-fourth legislative assembly that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021.

SECTION 10. FARGO INTERIOR FLOOD CONTROL - FUNDING REQUIREMENTS. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than ten percent of these funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

SECTION 11. APPROPRIATION - FARGO INTERIOR FLOOD CONTROL - STATE DISASTER RELIEF FUND - FUNDING REQUIREMENTS. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$30,000,000, or so much of the sum as may be necessary, for the purpose of providing funding for flood protection projects within city limits of Fargo, for the period beginning with the effective date of this Act, and ending June 30, 2017. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than ten percent of these funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

SECTION 12. FARGO INTERIOR FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$30,000,000 is for Fargo interior flood control projects, for the period beginning with the effective date of this Act, and ending June 30, 2017. Any funds not spent by June 30, 2017, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo interior flood control projects. The city of Fargo shall apply for flood protection funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the sixty-fourth legislative assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for

the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

SECTION 13. LEGISLATIVE INTENT - GRAND FORKS WATER TREATMENT PLANT PROJECT FUNDING. It is the intent of the sixty-fourth legislative assembly that the state provide grants for one-half of the cost to construct the Grand Forks water treatment plant project and provide a \$30,000,000 grant for the project during the 2015-17 biennium and a \$30,000,000 grant for the project during the 2017-19 biennium.

SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - REPORT TO WATER TOPICS OVERVIEW COMMITTEE. The 2013-15 unobligated funding of \$7,359,000 designated by the state water commission for the Red River valley water supply project in the water and atmospheric resources line item in section 1 of this Act and an additional \$5,000,000 in the water and atmospheric resources line item in section 1 of this Act is designated for a grant to the Garrison diversion conservancy district to plan and design the Red River valley water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The state water commission shall transfer funds upon request of the Garrison diversion conservancy district. The Garrison diversion conservancy district shall report on a regular basis to the legislative management's water topics overview committee to review its progress in planning and designing the Red River valley water supply project.

SECTION 15. APPROPRIATION - MISSOURI RIVER CORRECTIONAL CENTER LEVEE - FOX ISLAND LEVEE - STATE DISASTER RELIEF FUND. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, the sum of \$4,000,000, or so much of the sum as may be necessary, to the state water commission, for the purpose of providing funding for levee projects for the biennium beginning July 1, 2015, and ending June 30, 2017. Of the funds the state water commission shall make available \$1,200,000 for a levee for the Missouri River correctional center, and \$2,800,000, for a levee for Lincoln township's Fox Island area.

SECTION 16. FUNDING DESIGNATION - REIMBURSEMENTS FOR 2013-15 BIENNIUM RURAL AND MUNICIPAL WATER SYSTEMS AFFECTED BY LOCAL COST-SHARE CHANGE. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, the state water commission shall make available \$11,000,000 from funds available from the line of credit for reimbursing rural and municipal water systems affected by local cost-share changes during the 2013-15 biennium. Rural and municipal water systems must be reimbursed up to an amount, which makes the state share 65 percent in lieu of the 75 percent that was approved by the state water commission.

SECTION 17. STATE WATER COMMISSION PROJECT FUNDING DESIGNATIONS. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act from funds available in the resources trust fund, water development trust fund, and the line of credit available from the Bank of North Dakota, \$414,000,000 is designated as follows:

1. \$113,000,000 for flood control projects;
2. \$61,000,000 for general water projects:
 - a. \$50,000,000 is available for providing grants; and

- b. \$11,000,000 from the infrastructure revolving loan fund is available for providing loans;
3. \$130,000,000 for rural water projects;
4. \$85,000,000 for municipal water projects; and
5. \$25,000,000 for providing loans from the infrastructure revolving loan fund for rural and municipal water projects.

SECTION 18. FUNDING DESIGNATIONS - TRANSFERS - BUDGET SECTION APPROVAL. The funding designated for the items in section 17 of this Act, is designated for the specific purposes identified; however, the state water commission may transfer funding among these items, upon notification to the water topics overview committee and subject to budget section approval.

SECTION 19. CONTINGENT ALLOCATION - WATER AND ATMOSPHERIC RESOURCES - CENTRAL DAKOTA WATER SUPPLY STUDY. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$70,000,000, is designated as follows, contingent on the state water commission entering into a written agreement that a fertilizer or chemical processing facility will be constructed in Stutsman County:

1. \$10,000,000 for a grant and \$40,000,000 for a loan for a water reuse facility; and
2. \$20,000,000 for the central Dakota water supply project.

The state water commission shall conduct a study on the feasibility and desirability of the central Dakota water supply project for the biennium beginning July 1, 2015, and ending June 30, 2017. The study must include a financial analysis as well as a detailed business plan for the project, including projected operational costs and projected water supply needs for the area to be served.

SECTION 20. STUTSMAN COUNTY WATER REUSE FACILITY - EXEMPTION. For purposes of a project for a water reuse facility, the Stutsman rural water district is granted an exemption from the aggregate total outstanding limit of \$50,000,000 of revenue bonds under section 61-35-15 and is instead limited to an aggregate total outstanding limit of \$100,000,000 of revenue bonds for purposes of section 61-35-15.

SECTION 21. STUTSMAN COUNTY WATER REUSE FACILITY PROJECT - USER BONDING. Any agreement entered into by the state water commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements, with the Stutsman rural water district pursuant to which the expected revenues from these contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the sixty-fourth legislative assembly for the Stutsman County water reuse facility.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - WATER SUPPLY FOR CENTRAL AND EASTERN NORTH DAKOTA. During the 2015-16 interim, the legislative management shall study options available for providing a sustainable water supply to central and eastern North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 23. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT. It is the intent of the sixty-fourth legislative assembly that the state, beginning on July 1, 2017, and extending over the next four bienniums, provide \$150,000,000 per biennium of state funds to implement the selected alternative for the Red River valley water supply project.

SECTION 24. WESTERN AREA WATER SUPPLY AUTHORITY MEMBER ENTITIES - DEBT. A western area water supply authority member entity may incur debt as authorized by law, except that an entity may not use any income from industrial water sales relating to oil and gas exploration or production to repay any debt or as collateral to secure debt beginning January 1, 2015. Previous debt accrued by the western area water supply may be serviced by the western area water supply revenues from industrial water sales.

SECTION 25. STATE WATER COMMISSION PRIORITY PROJECTS LIST - REPORTS TO THE WATER TOPICS OVERVIEW COMMITTEE. The state water commission shall report to the legislative management's water topics overview committee every six months during the 2015-16 interim regarding any changes made to the state water commission priority projects list presented to the sixty-fourth legislative assembly for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 26. FARGO FLOOD CONTROL - REPORTS TO THE WATER TOPICS OVERVIEW COMMITTEE. During the 2015-16 interim, the F-M area diversion authority board shall report to the legislative management's water topics overview committee biannually regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool; mitigation efforts, alternatives, and costs; easements; and the project budget. The MNDak upstream coalition shall report to the legislative management's water topics overview committee biannually regarding an update on the impacts of the Fargo flood control project and mitigation efforts, alternatives, and costs.

SECTION 27. INDEPENDENT WATER PROVIDERS AND WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO THE WATER TOPICS OVERVIEW COMMITTEE. During the 2015-16 interim, the independent water providers and the western area water supply authority shall report to the legislative management's water topics overview committee on a regular basis and collaborate with the committee and the state water commission to monitor water usage, rates, engineering contract procedures, and market share. The water topics overview committee shall report to the legislative management with recommendations to ensure western area water supply authority's ability to maintain its payment schedule of the state's loan.

SECTION 28. REPORT TO LEGISLATIVE ASSEMBLY - SOUTHWEST PIPELINE PROJECT. The state water commission and the southwest water authority shall continue the process of reviewing capital repayment and revenues being returned to the resources trust fund; payments necessary to meet obligations of existing bonds and other loans; ownership of land and associated facilities; existing construction documents; liabilities; contracts with cities, bulk users, companies, and other users; and other items; and shall report to the sixty-fifth legislative assembly on the actions necessary for the transfer of ownership and responsibility of the southwest pipeline project from the state water commission to the southwest water authority.

SECTION 29. STATE WATER COMMISSION STUDY OF FARGO DIVERSION PROJECT. The state water commission shall contract with North Dakota state university to expand the scope of the current agricultural impacts study of the F-M area diversion project at a cost that may not exceed \$80,000. The expanded study is

contingent upon hydraulic modeling performed by the diversion authority and supplied to the state water commission and North Dakota state university research team. The hydraulic modeling performed by the diversion authority is eligible for cost share by the state water commission. The expanded study must be completed by September 1, 2016, and must focus on:

1. The area determined by hydrology modeling to be affected by project conditions in excess of six inches, and outside the area recognized by the army corps of engineers for which mitigation is required upstream of the proposed dam, which is consistent with current floodplain designation by the federal emergency management agency for the studied flood event.
2. The impacts on agricultural production income due to operation of the diversion project.

SECTION 30. BONDING AUTHORITY - BUDGET SECTION APPROVAL. The state water commission shall request budget section approval prior to issuing any revenue bonds during the biennium beginning July 1, 2015 and ending June 30, 2017.

¹⁵ **SECTION 31. AMENDMENT.** Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - Duties.

The legislative management, during each interim, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. The committee shall work collaboratively with the state water commission to develop and review policies and update as necessary to further define the state role in major flood control projects. The committee shall prepare a schedule of priorities with respect to water projects. The state water commission and state engineer shall assist the committee in developing the schedule of priorities, and the committee may seek input from stakeholders within the state regarding water project priorities. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. The committee also shall study policies regarding the development and financing of municipal projects, including water treatment plants; pipelines, including pipeline expansion, public and industrial use of water, cost analysis of future project development, and ongoing maintenance cost of current and future projects; and technology, including the use of technology for permitting and electronic metering. ~~During the 2013-14 interim, the committee shall review water supply routes and alternatives for the Red River valley water supply project.~~ The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 32. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

¹⁵ Section 54-35-02.7 was also amended by section 1 of House Bill No. 1061, chapter 384.

Bank of North Dakota - Line of credit.

The Bank of North Dakota shall extend a line of credit not to exceed two hundred million dollars at a rate that may not exceed one and three-quarters percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for water supply projects in suspense, water supply projects identified in section 19 of this Act and water supply projects approved before June 30, 2017, and flood control projects that have approval for funding before June 30, 2017.

SECTION 33. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

State water commission cost-share policy.

The state water commission shall adopt a cost-share policy for the financing of water projects. The policy:

1. Must provide a water supply project is eligible for grants up to seventy-five percent of the total eligible project costs.
2. May not determine program eligibility of water supply projects based on a population growth factor. However, a population growth factor may be used in prioritizing projects for that purpose.
3. Must consider all project costs potentially eligible for reimbursement, except the commission may exclude operations expense and regular maintenance. The commission shall require a water project sponsor to maintain a capital improvement fund from the rates charged customers for future extraordinary maintenance projects as condition of funding an extraordinary maintenance project.
4. May not determine program eligibility of water supply projects based on affordability. However, affordability may be used in prioritizing projects for that purpose.

SECTION 34. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

North Dakota outdoor heritage fund grants - Effect on local cost-share.

For projects involving the repair of an existing flood control or recreation structure, the state water commission may not deduct North Dakota outdoor heritage fund moneys provided from the cost of the project before determining the local cost-share. The state water commission shall include those provided moneys as part of the local cost-share, however, the local entity may not receive funding in excess of the total project cost.

SECTION 35. EMERGENCY. Sections 1, 7, 12, and 17 of this Act are declared to be an emergency measure.

Approved May 12, 2015
Filed May 13, 2015

CHAPTER 55

SENATE BILL NO. 2021

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Workforce safety and insurance operations	\$60,909,457	\$7,955,713	\$68,865,170
Accrued leave payments	1,662,965	(1,662,965)	0
Litigation contingency	<u>750,000</u>	<u>(750,000)</u>	<u>0</u>
Total special funds	\$63,322,422	\$5,542,748	\$68,865,170
Full-time equivalent positions	250.14	10.00	260.14

Approved April 20, 2015
Filed April 20, 2015

CHAPTER 56

SENATE BILL NO. 2022

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

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies; to provide various transfers; to create and enact section 54-52.1-05.1 of the North Dakota Century Code, relating to the terms of public employees retirement system contracts for uniform group health insurance benefits coverage; to amend and reenact subsection 17 of section 54-52-01 and sections 54-52-03 and 54-52.1-05 of the North Dakota Century Code, relating to the public employees retirement system board and disclosure of information by uniform group health insurance benefits coverage carriers; and to limit the use of health insurance program reserves.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,772,504	\$568,047	\$4,340,551
Accrued leave payments	71,541	(71,541)	0
Operating expenses	973,324	17,550	990,874
Contingencies	<u>82,000</u>	<u>0</u>	<u>82,000</u>
Total special funds	\$4,899,369	\$514,056	\$5,413,425
Full-time equivalent positions	19.00	0.00	19.00

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,016,339	\$1,399,021	\$6,415,360
Accrued leave payments	103,217	(103,217)	0
Operating expenses	2,280,894	397,169	2,678,063
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$7,650,450	\$1,692,973	\$9,343,423
Full-time equivalent positions	33.00	1.50	34.50

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total special funds	\$12,549,819	\$2,207,029	\$14,756,848
Full-time equivalent positions	52.00	1.50	53.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
Public employees retirement system - temporary salaries	\$0	\$100,000
Total special funds	\$0	\$100,000

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The public employees retirement system shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the respective boards, the retirement and investment office and the public employees retirement system may transfer from their respective contingencies line items in subdivisions 1 and 2 of section 1 of this Act to all other line items. The agencies shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 4. AMENDMENT. Subsection 17 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

17. "Retirement board" or "board" means the ~~seven persons designated by this chapter as the governing authority for the retirement system created under section 54-52-03.~~

SECTION 5. AMENDMENT. Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

54-52-03. Governing authority.

A state agency is hereby created to constitute the governing authority of the system to consist of a board of ~~seven persons~~nine individuals known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. ~~No~~An employee of the public employees retirement system or the state retirement and investment office may not serve on the board.

1. Two members of the legislative assembly must be appointed by the chairman of the legislative management to serve on the board.
 - a. If the same political party has the greatest number of members in both the house and senate, one member must be from that majority party and one member from the political party with the next greatest number of members in the house and senate.

- b. If the same political party does not have the greatest number of members in both the house and senate, one member must be from the majority party in the house and one member must be from the majority party in the senate.
2. One member of the board must be appointed by the governor to serve a term of five years. The appointee must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management. The citizen member is chairman of the board.
- 2-3. One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.
- 3-4. The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.
- 4-5. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
- 5-6. One board member must be elected by and from among those personsindividuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the personsindividuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.
- 6-7. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
- 7-8. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and fourfive of the sevennine board members constitute a quorum. FourFive votes are necessary for resolution or action by the board at any meeting.

SECTION 6. AMENDMENT. Section 54-52.1-05 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-05. Provisions of contract - Term of contract.

1. Each uniform group insurance contract entered ~~into~~ by the board must be consistent with the provisions of this chapter, must be signed for the state of North Dakota by the chairman of the board, and must include the following:
4. a. As many optional coverages as deemed feasible and advantageous by the board.

2. b. A detailed statement of benefits offered, including maximum limitations and exclusions, and such other provisions as the board may deem necessary or desirable.
2. The initial term or the renewal term of a fully insured uniform group insurance contract for hospital benefits coverage, medical benefits coverage, or prescription drug coverage may not exceed two years.
 - a. The board may renew a contract subject to this subsection without soliciting a bid under section 54-52.1-04 if the board determines the carrier's performance under the existing contract meets the board's expectations and the proposed premium renewal amount does not exceed the board's expectations.
 - b. In making a determination under this subsection, the board shall:
 - (1) Use the services of a consultant to concurrently and independently prepare a renewal estimate the board shall consider in determining the reasonableness of the proposed premium renewal amount.
 - (2) Review the carrier's performance measures, including payment accuracy, claim processing time, member service center metrics, wellness or other special program participation levels, and any other measures the board determines relevant to making the determination and shall consider these measures in determining the board's satisfaction with the carrier's performance.
 - (3) Consider any additional information the board determines relevant to making the determination.
 - c. If the board determines the carrier's performance under the existing contract does not meet the board's expectations or the proposed premium renewal amount exceeds the board's expectations and the board determines to solicit a bid under section 54-52.1-04, the board shall specify its reasons for the determination to solicit a bid.

SECTION 7. Section 54-52.1-05.1 of the North Dakota Century Code is created and enacted as follows:

54-52.1-05.1. Health insurance benefits coverage - Insured and provider data disclosure.

Except as necessary for treatment, payment, or health care operations, a carrier providing health insurance benefits coverage under this chapter may not disclose identifiable or unidentifiable insured or provider data or information to a related or unrelated health care delivery entity. The board may establish exceptions to the disclosure limitations under this section for the limited purpose of addressing public interest and benefit activities or for the limited purpose of addressing research, public health, or health care operations. An exception established by the board under this section may not be more permissive than allowed under state and federal privacy laws.

SECTION 8. HEALTH INSURANCE RESERVE FUNDS - LIMITATIONS. Notwithstanding any other provision of law, during the 2015-17 biennium, the public employees retirement system board may not spend any moneys in the fund created under section 54-52.1-06 or from any other source for the purpose of reducing any

increase in uniform group insurance premium amounts beyond the rates used by the sixty-fourth legislative assembly for developing 2015-17 state agency budgets.

Approved June 16, 2015

Filed June 16, 2015

CHAPTER 57

SENATE BILL NO. 2023

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

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sums as hereinafter provided or so much of the sums as may be necessary, and from special funds derived from the disaster relief fund in the state treasury. These sums increase the general fund and special fund authority enacted by the sixty-third legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 2015, and ending June 30, 2015, as follows:

Subdivision 1.

ATTORNEY GENERAL

Operating expenses	<u>\$50,000</u>
Total general fund	<u>\$50,000</u>

Subdivision 2.

SECRETARY OF STATE

Operating expenses	<u>\$950,000</u>
Business process modeling services	<u>400,000</u>
Total general fund	<u>\$1,350,000</u>

Subdivision 3.

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$700,000</u>
Total general fund	<u>\$700,000</u>

Subdivision 4.

MINOT STATE UNIVERSITY

2010 and 2011 flood expenditures	<u>\$1,800,579</u>
Total general fund	<u>\$1,800,579</u>

Subdivision 5.

WILLISTON STATE COLLEGE

Capital assets	<u>\$50,000</u>
Total general fund	\$50,000

Subdivision 6.

VALLEY STATE UNIVERSITY

Capital assets	<u>\$3,152,000</u>
Total all funds	\$3,152,000
Total special funds	<u>3,000,000</u>
Total general fund	\$152,000

Subdivision 7.

DEPARTMENT OF HEALTH

Operating expenses	<u>\$720,900</u>
Total general fund	\$720,900

Subdivision 8.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$1,135,547</u>
Total general fund	\$1,135,547

Subdivision 9.

ADJUTANT GENERAL

Operating expenses	<u>\$5,000,000</u>
Total special funds	\$5,000,000

BILL TOTAL

Grand total general fund	\$5,959,026
Grand total special funds	<u>8,000,000</u>
Grand total all funds	\$13,959,026

SECTION 2. ADJUTANT GENERAL - VALLEY STATE UNIVERSITY - STATE DISASTER RELIEF FUND. The operating expenses line item in subdivision 9 of section 1 of this Act includes \$5,000,000 from the state disaster relief fund. The capital assets line item in subdivision 6 of section 1 of this Act includes \$3,000,000 from the state disaster relief fund.

SECTION 3. EXEMPTION - TRANSFER - EMERGENCY COMMISSION CONTINGENCY FUND TO COMMISSION ON LEGAL COUNSEL FOR INDIGENTS. Notwithstanding the provisions of section 54-16-04 and 54-16-09, which require emergency commission and budget section approval, the office of management and budget shall transfer spending authority of \$200,000 from the state contingencies appropriation in the emergency commission contingency fund line item in section 1 of chapter 15 of the 2013 Session Laws to the commission on legal counsel for indigents for the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 28, 2015
Filed April 28, 2015

CHAPTER 58

SENATE BILL NO. 2103

(Senators Armstrong, Rust, Poolman)
(Representatives Louser, Schatz, Thoreson)

AN ACT to provide an appropriation to the state treasurer for allocations to counties, cities, and townships; to provide appropriations to the department of transportation for distributions to counties and for state highway projects; to provide for a transfer; to provide for a report to the budget section; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STATE TREASURER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$298,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of distributions and allocations, as soon as possible, to counties, cities, and townships, for the period beginning with the effective date of this Act, and ending June 30, 2015.

1. The state treasurer shall distribute \$100,000,000 to incorporated cities in oil-producing counties based on the population of each incorporated city according to the last official decennial federal census. The distribution to each eligible incorporated city must be proportional to the incorporated city's population relative to the combined total population of all the eligible incorporated cities within the qualifying county. The distribution must exclude incorporated cities with a population of fewer than fifty and hub cities as defined under section 57-51-01. The distribution must be based on allocations under subsection 2 of section 57-51-15 for formula allocation year 2014 as follows:
 - a. \$3,600,000 among the eligible incorporated cities, excluding incorporated cities with a population of more than one thousand, in the county that received the highest total allocation;
 - b. \$21,400,000 among the eligible incorporated cities in the county that received the second highest total allocation;
 - c. \$21,400,000 among the eligible incorporated cities in the county that received the third highest total allocation;
 - d. \$14,300,000 among the eligible incorporated cities in the county that received the fourth highest total allocation;
 - e. \$9,300,000 among the eligible incorporated cities in the county that received the fifth highest total allocation;
 - f. \$8,600,000 among the eligible incorporated cities in the county that received the sixth highest total allocation;

- b. For purposes of this subsection, an "eligible county" means:
- (1) A county that received an allocation under subsection 2 of section 57-51-15 of more than \$100,000 but less than \$5,000,000 for formula allocation year 2014;
 - (2) A county that received an allocation under subsection 2 of section 57-51-15 of less than \$50,000 for formula allocation year 2014;
 - (3) A county that received the fifth highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014;
 - (4) A county that received the thirty-seventh highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014; or
 - (5) A county that received the forty-third highest total payments under section 57-39.2-26.1 for distributions in state fiscal year 2014.
4. The state treasurer shall distribute \$172,000,000 to the hub cities as defined under section 57-51-01 based on allocations under subsection 1 of section 57-51-15 for formula allocation year 2014 and to other eligible cities as follows:
- a. \$64,000,000 to the hub city that received the highest total allocation;
 - b. \$44,000,000 to the hub city that received the second highest total allocation;
 - c. \$32,000,000 to the hub city that received the third highest total allocation; and
 - d. \$32,000,000 to incorporated cities with a population of more than one thousand in the county that received the highest total allocation under subsection 2 of section 57-51-15 for formula allocation year 2014.
5. a. For purposes of this section, "formula allocation year 2014" means allocations to counties under subsection 2 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.
- b. For purposes of this section, "distributions in state fiscal year 2014" means payments to counties under section 57-39.2-26.1 for the period beginning August 1, 2013, and ending July 31, 2014.
- c. The funding provided to counties, cities, and townships in this section must be excluded from the calculation of oil and gas gross production tax allocations under chapter 57-51. The funding provided in this section is considered a one-time funding item.

SECTION 2. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION - REPORT TO BUDGET SECTION. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$352,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of distributions to counties for road

and bridge infrastructure needs, for the period beginning with the effective date of this Act, and ending June 30, 2017.

1. The department of transportation shall distribute \$240,000,000 to oil-producing counties based on the most recent data compiled by the upper great plains transportation institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs. The distribution to each oil-producing county must be proportional to each oil-producing county's total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute relative to the combined total estimated road and bridge investment needs for the years 2015 to 2034, identified by the upper great plains transportation institute of all the eligible oil-producing counties under this subsection. Each county's total estimated road and bridge investment needs include unpaved and paved road and bridge needs. For purposes of this section, "oil-producing counties" means the ten counties that received the highest total allocations under subsection 2 of section 57-51-15 for the period beginning September 1, 2013, and ending August 31, 2014.
2. The department of transportation shall distribute \$112,000,000 to non-oil-producing counties based on county major collector roadway miles, as defined by the department of transportation. The distribution to each non-oil-producing county must be proportional to each non-oil-producing county's total county major collector roadway miles relative to the combined total of county major collector roadway miles of all the eligible non-oil-producing counties under this subsection. For purposes of this section, "non-oil-producing counties" means the forty-three counties that received no allocation of funding or a total allocation under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2013, and ending August 31, 2014.
3. a. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation. For oil-producing counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support oil and gas production and distribution in the state. For non-oil-producing counties, the request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county which are needed to support economic activity in the state. The plan must meet the following criteria:
 - (1) Roadways and bridges must provide continuity and connectivity to efficiently integrate and improve major paved and unpaved corridors within the county and across county borders.
 - (2) Projects must be consistent with the upper great plains transportation institute's estimated road and bridge investment needs for the years 2015 to 2034 and other planning studies.
 - (3) Upon completion of a major roadway construction or reconstruction project, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.995 kilograms].

- (4) Design speed on the roadway must be at least 55 miles per hour [88.51 kilometers per hour], unless the department of transportation provides an exemption.
 - (5) Projects must comply with the American association of state highway transportation officials pavement design procedures and standards developed by the department of transportation in conjunction with the local jurisdiction.
 - (6) Bridges must be designed to meet an HL 93 loading.
- b. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding for county and township rehabilitation and reconstruction projects. Counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
 - c. Funding provided under this section may be used for construction, engineering, and plan development costs, but may not be used for routine maintenance. Funding provided under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2015. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, and ending June 30, 2019, and may be expended only for the purposes authorized by this section. The funding provided in this section is considered a one-time funding item.
4. The department of transportation shall report to the budget section and to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding, including the amounts distributed to each county, the amounts spent to date, and the amounts anticipated to be continued into the 2017-19 biennium.

SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO HIGHWAY FUND. The director of the office of management and budget shall transfer the sum of \$450,000,000 from the strategic investment and improvements fund to the highway fund during the period beginning with the effective date of this Act, and ending June 30, 2015. Of the \$450,000,000, the office of management and budget shall transfer \$200,000,000 within one month of the effective date of this Act and shall transfer \$250,000,000 at the end of the 2013-15 biennium.

SECTION 4. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$450,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of construction and maintenance of state transportation infrastructure, for the period beginning with the effective date of this Act, and ending June 30, 2017. The funding provided in this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2015. The funding provided in this section is considered a one-time funding item.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

Approved February 24, 2015
Filed February 24, 2015

CHAPTER 59**SENATE BILL NO. 2177**

(Senator Holmberg)
(Representative Pollert)

AN ACT to provide for an appropriation to defray the expenses of the department of human services for the modification of the department's eligibility systems; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$14,012,167, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$46,860,102, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the modernization of the department's eligibility systems, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 2. EXEMPTION. The amount appropriated for the modification of the department's eligibility systems in chapter 578 of the 2011 Special Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. CHANGE IN FEDERAL FUNDING. The department of human services shall inform all vendors affiliated with the project modernizing the department's eligibility systems that if federal funding is reduced or eliminated, the department will be required to request additional state funding to complete the project and if additional state funding is not received, the project would be discontinued.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved February 26, 2015
Filed February 26, 2015

CHAPTER 60

SENATE BILL NO. 2289

(Senators J. Lee, Dever, Robinson)
(Representatives Guggisberg, Karls, Meier)

AN ACT to provide an appropriation to the department of human services for assistive technology services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing assistive technology services, for the biennium beginning July 1, 2015, and ending June 30, 2017.

Approved April 16, 2015

Filed April 16, 2015

CHAPTER 61

SENATE BILL NO. 2304

(Senators Unruh, Heckaman, Wardner)
(Representatives Carlson, Klein, Onstad)

AN ACT to provide for the design of a governor's residence; to provide an appropriation to the office of management and budget for the demolition of the current governor's residence and the construction of a new residence; and to provide an appropriation to the governor's office for temporary housing expenses.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. GOVERNOR'S RESIDENCE - ARCHITECT AND ENGINEERING SERVICES - FUNDRAISING AND PROJECT OVERSIGHT COMMITTEE.

1. The office of management and budget shall procure architect and engineering professional services pursuant to chapter 54-44.7 for the design of a governor's residence that must include space to accommodate meetings and events. The office of management and budget project selection committee, which must include the majority and minority leaders of the house of representatives or their designees, and the majority and minority leaders of the senate or their designees, shall require the selected person or firm to provide at least three preliminary designs to be presented at a public meeting of the capitol grounds planning commission. A member of the legislative assembly who attends the public input hearing is entitled to receive expense reimbursement for attending the meeting. The director of the facility management division of the office of management and budget or the director's designee shall serve as the project manager. A member of the legislative assembly serving on the project selection committee is entitled to receive compensation in the amount provided per day for members of the legislative management under section 54-35-10 for attending meetings.
2. The members of the 501(c)(3) Friends of the Residence and the capitol grounds planning commission shall appoint a fundraising task force to coordinate volunteer fundraising for the donations appropriated under section 2 of this Act. Upon request of the legislative management, the Friends of the Residence shall report to the legislative management regarding the fundraising plans of the task force and the progress of fundraising efforts. All donations received for the project must be deposited in a dedicated account by the Friends of the Residence and transferred to the capitol building account upon the request of the capitol grounds planning commission.

SECTION 2. APPROPRIATION - GOVERNOR'S RESIDENCE PROJECT. There is appropriated out of any moneys in the capitol building fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from funds derived from private donations, the sum of \$1,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of designing and constructing a governor's residence in accordance with this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. CONSTRUCTION AUTHORIZATION - ADDITIONAL INCOME.

Section 2 of this Act includes \$5,000,000, of which \$4,000,000 is from the capitol building fund and \$1,000,000 is from funds to be raised from private donations and deposited in the capitol building fund, for the demolition of the existing governor's residence, the design and construction of a new residence, and for fixtures and furniture for the new residence. Construction may not begin until the capitol grounds planning commission certifies to the office of management and budget that, of the special funds required to complete the project, at least \$500,000 in cash has been received and placed in the capitol building fund designated for the sole purpose of constructing the project authorized in this Act. If more than \$1,000,000 in donated funds is raised, the office of management and budget may seek emergency commission and budget section approval to spend the excess funds for upgraded fixtures and furniture for the new residence. Any increased spending authority for the project may not be used to expand the scope of the project.

SECTION 4. APPROPRIATION - TEMPORARY HOUSING EXPENSES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the governor's office for temporary housing expenses for the governor during the demolition of the existing governor's residence and construction of a new residence, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. Any funds not used for temporary housing expenses may not be spent for any other purpose and must be canceled in accordance with section 54-44.1-11.

Approved April 28, 2015
Filed April 28, 2015