

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

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, the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new subdivision to subsection 1 of section 54-10-14, and a new section to chapter 54-27 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, entities required to be audited by the state auditor, a report on federal grants, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, and sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for legislative management reports; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,203,386	\$1,314,377	\$18,517,763
Operating expenses	13,363,053	402,201	13,765,254
Emergency commission contingency fund	0	700,000	700,000
Capital assets	2,420,298	6,369,845	8,790,143
Grants	430,000	(375,000)	55,000
Prairie public broadcasting	1,337,138	(337,138)	1,000,000
State student internship program	200,000	0	200,000
Statewide equity plan	<u>15,984,000</u>	<u>(15,984,000)</u>	<u>0</u>
Total all funds	\$50,937,875	(\$7,909,715)	\$43,028,160
Less estimated income	14,688,779	(4,174,318)	10,514,461
Total general fund	\$36,249,096	(\$3,735,397)	\$32,513,699
Full-time equivalent positions	132.50	(1.00)	131.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Prairie public broadcasting	\$2,016,200	\$0
ConnectND	1,000,000	0
Facility management repairs and equipment	2,850,000	0
Administration projects	126,041	0
Federal fiscal stimulus	689,494	0
Capital envelope	0	2,800,000
Capitol complex parking lot repairs	0	800,000
North Dakota 125 anniversary coordinator	0	50,000
Total all funds	\$6,681,735	\$3,650,000
Less estimated income	<u>1,823,635</u>	<u>0</u>
Total general fund	\$4,858,100	\$3,650,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The office of management and budget shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION - TRANSFER - 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 \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. TRANSFER TO GENERAL FUND FROM STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the biennium beginning July 1, 2011, and ending June 30, 2013, the director of the office of management and budget shall transfer \$305,000,000 from the strategic investment and improvements fund to the general fund.

SECTION 5. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected 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, 2011, and ending June 30, 2013.

SECTION 6. 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 7. 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 internship program line item contained in section 1 of this Act.

SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13

biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Probationary employees are not entitled to the general 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.

SECTION 9. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

SECTION 11. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 12. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION. Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 14. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding.

SECTION 15. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second 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 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, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	0	1,500,000	1,500,000
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Less estimated income	<u>49,308,484</u>	<u>(2,541,728)</u>	<u>46,766,756</u>
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	1,455,000	(189,000)	1,266,000
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	0	1,000,000	1,000,000
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	<u>174,516,769</u>	<u>5,509,037</u>	<u>180,025,806</u>
Grand total general fund	\$19,522,102	\$6,953,511	\$26,475,613
Grand total special funds	<u>174,516,769</u>	<u>4,765,065</u>	<u>179,281,834</u>
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 16. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING ~~PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.~~ Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the ~~permanent oil tax trust~~ general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 17. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second 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 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, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	<u>837,800</u>	<u>150,000</u>	<u>987,800</u>
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	<u>25,928,877</u>	<u>(2,800,067)</u>	<u>23,128,810</u>
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	<u>1,598,265</u>	<u>56,460</u>	<u>1,654,725</u>
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	<u>21,737,199</u>	<u>413,134</u>	<u>22,150,333</u>
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	<u>0</u>	<u>0</u>	<u>0</u>
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	<u>45,013,267</u>	<u>(879,692)</u>	<u>44,133,575</u>
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789

Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
Less estimated income	13,916,816	1,080,765	14,997,581
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,275,238	\$159,930	\$1,435,168
Total special funds	\$1,275,238	\$159,930	\$1,435,168
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	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	109,469,662	(1,169,470)	108,300,192
Grand total general fund	\$79,913,767	\$17,985,693	\$97,899,460
Grand total special funds	109,469,662	(1,969,470)	107,500,192
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 18. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. PERMANENT OIL TAX TRUST FUND -- DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The estimated income general fund line item in subdivision 5 of section 1 of this Act includes \$800,000 from the permanent oil tax trust fund. This of operating pool funding is available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 20. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 22. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 23. A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 24. 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. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. 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 overhead 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 25. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 26. AMENDMENT. Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- 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 ~~fifty-five~~^{sixty-five} percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

SECTION 27. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development.

SECTION 28. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 29. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 30. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~^{seven} members of the house of representatives and ~~four~~^{six} members of the senate to the committee. 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 31. DEPARTMENT OF COMMERCE - TOURISM INFRASTRUCTURE GRANTS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Funding provided to the department of commerce for tourism infrastructure grants in Senate Bill No. 2057, as approved by the sixty-second legislative assembly, may be awarded and spent only upon emergency commission and budget section approval, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 32. EMERGENCY. Sections 13, 19, 21, 23, and 24 of this Act are declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2015 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 43 Nays 4 Absent 0

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 84 Nays 0 Absent 10

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State