

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 12, 2017

The Senate convened at 8:00 a.m., with President Sanford presiding.

The prayer was offered by Pastor Rich Wyatt, Living Hope Church of the Nazarene, Bismarck.

The roll was called and all members were present except Senator D. Larson.

A quorum was declared by the President.

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Davison, Chairman)** has carefully examined the Journal of the Sixty-third and Sixty-fifth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1277, line 11 replace "Nelson, Osland" with "Osland, Nelson"

Page 1331, after line 8 insert:

"MOTION

SEN. KLEIN MOVED that the Senate reconsider its action whereby it failed to concur on the House amendments to SB 2090, which motion prevailed on a voice vote."

Page 1356, remove lines 28 through 30

Page 1356, after line 27 insert:

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

MR. SPEAKER: The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2090 and wishes to inform you that the Senate does now concur with the House amendments to SB 2090 and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2090."

SEN. DAVISON MOVED that the report be adopted, which motion prevailed.

MOTION

SEN. KLEIN MOVED that Sen. Osland replace Sen. D. Larson on the Conference Committees on HB 1041 and HB 1269, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that Sen. Cook replace Sen. Armstrong on the Conference Committee on SB 2134, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that Sen. Armstrong replace Sen. D. Larson on the Conference Committee on SB 2216, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1044: A BILL for an Act to amend and reenact section 1-01-49, subsection 4 of section 10-30.5-01, subdivision b of subsection 1 of section 10-33-124, subsection 4 of section 26.1-50-01, subsection 3 of section 40-57.1-02, subsection 11 of section 52-02.1-01, subdivision b of subsection 2 of section 57-38-01.33, subdivision c of subsection 4 of section 57-38-30.5, section 57-38.5-01, and subdivision g of subsection 6 of section 57-39.2-04.3 of the North Dakota Century Code, relating to a uniform definition of a primary sector business; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee

recommendation of DO PASS, the roll was called and there were 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Larsen, O.

ABSENT AND NOT VOTING: Larson, D.

HB 1044 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2013 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2013: Sens. Dever, Wanzek, Grabinger.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1221, Engrossed HB 1275, HB 1369, and Engrossed HB 1392, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1221: Sens. Armstrong, Myrdal, Nelson

Engrossed HB 1275: Sens. Davison, Schaible, Kannianen

HB 1369: Sens. Davison, Meyer, Marcellais

Engrossed HB 1392: Sens. Armstrong, Myrdal, Nelson

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. O. LARSEN MOVED that the conference committee report on SB 2116 as printed on SJ page 1359 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2116: A BILL for an Act to amend and reenact section 50-25.1-03.1 and subsection 3 of section 50-25.1-05 of the North Dakota Century Code, relating to the disclosure of patient records relevant to an assessment of reported child abuse or neglect.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Larson, D.

Engrossed SB 2116 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. RUST MOVED that the conference committee report on Engrossed SB 2037 as printed on SJ page 1359 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2037: A BILL for an Act to amend and reenact sections 15-10-37 and 15-10-38 of the North Dakota Century Code, relating to the technology occupations student loan program and the teacher shortage loan forgiveness program.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Larson, D.

Reengrossed SB 2037 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BEKKEDAHL MOVED that the conference committee report on Engrossed SB 2183 as printed on SJ pages 1359-1360 be adopted, which motion failed on a verification vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. O. LARSEN MOVED that the conference committee report on Engrossed SB 2189 as printed on SJ page 1360 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2189: A BILL for an Act to create and enact a new section to chapter 50-25.1 of the North Dakota Century Code, relating to the confidentiality of children's advocacy center records; and to amend and reenact subsection 3 of section 12.1-34-07 and subsection 1 of section 27-20-51 of the North Dakota Century Code, relating to reimbursement of the cost of forensic interviews and confidentiality of juvenile court records and children's advocacy center records.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Larson, D.

Reengrossed SB 2189 passed.

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

MR. SPEAKER: The Senate has passed, unchanged: HB 1044.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2013, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2013: Sens. Dever; Wanzek; Grabinger

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

MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2004: Reps. Pollert; Meier; Holman

SB 2021: Reps. Nathe; Boehning; Brabandt

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1023, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1023: Reps. Vigesaa; Boehning; Keiser

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

MR. SPEAKER: The Senate has appointed as a conference committee to act with a like committee from the House on:

HB 1221: Sens. Armstrong; Myrdal; Nelson

HB 1275: Sens. Davison; Schaible; Kannianen

HB 1369: Sens. Davison; Meyer; Marcellais

HB 1392: Sens. Armstrong; Myrdal; Nelson

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

MR. SPEAKER: The President has appointed Sen. Cook to replace Sen. Armstrong on the Conference Committee on SB 2134.

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

MR. SPEAKER: The President has appointed Sen. Armstrong to replace Sen. D. Larson on the Conference Committee on SB 2216.

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

MR. PRESIDENT: The Speaker has appointed Rep. Weisz to replace Rep. Brandenburg on the Conference Committee on HB 1003.

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

MR. SPEAKER: The President has appointed Sen. Osland to replace Sen. D. Larson on the Conference Committee on HB 1041.

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

MR. SPEAKER: The President has appointed Sen. Osland to replace Sen. D. Larson on the Conference Committee on HB 1269.

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

MR. SPEAKER: The Senate has not adopted the conference committee report on: SB 2183.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2037, SB 2116, SB 2189.

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

MR. PRESIDENT: The House has adopted the conference committee report on: HB 1120.

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

MR. PRESIDENT: The House has adopted the conference committee report on: SB 2161, SB 2316.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1389.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2253, SB 2264.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2090, SB 2223, SB 2303.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1045, HB 1204, HB 1216, HB 1334, HB 1339, HB 1390.

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

MR. PRESIDENT: The Speaker has signed: SB 2090, SB 2223, SB 2303.

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

MR. SPEAKER: The President has signed: SB 2090, SB 2223, SB 2303.

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

MR. SPEAKER: The President has signed: HB 1045, HB 1204, HB 1216, HB 1334, HB 1339, HB 1390.

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

MR. PRESIDENT: The Speaker has signed: HB 1009, HB 1011, HB 1017, HB 1021, HB 1037, HB 1043, HB 1060, HB 1096, HB 1183, HB 1194, HB 1195, HB 1318, HB 1387, HB 1418, HB 1433, HCR 3035.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 12, 2017: SB 2090, SB 2223, SB 2303.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 11, 2017, I have signed the following: SB 2006, SB 2188, SB 2239, and SB 2343.

REPORT OF STANDING COMMITTEE

HB 1005, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1005 was placed on the Sixth order on the calendar.

Page 1, replace line 12 with:

"Salaries and wages	\$1,427,333	(\$111,194)	\$1,316,139"
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Page 1, replace line 15 with:

"Total general fund	\$1,856,899	(\$109,500)	\$1,747,399"
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Page 1, line 18, replace "\$22,898" with "\$21,239"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1005 - State Treasurer - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$1,427,333	\$1,317,798	(\$1,659)	\$1,316,139
Operating expenses	200,614	251,260		251,260
Coal severance payments	<u>228,952</u>	<u>180,000</u>		<u>180,000</u>
Total all funds	\$1,856,899	\$1,749,058	(\$1,659)	\$1,747,399
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$1,856,899	\$1,749,058	(\$1,659)	\$1,747,399
FTE	8.00	7.00	<u>0.00</u>	7.00

Department No. 120 - State Treasurer - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Senate Changes
Salaries and wages	(\$1,659)	(\$1,659)
Operating expenses		
Coal severance payments		
Total all funds	(\$1,659)	(\$1,659)
Less estimated income	<u>0</u>	<u>0</u>
General fund	(\$1,659)	(\$1,659)
FTE	0.00	<u>0.00</u>

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 3, after "reenact" insert "subsection 1 of section 23-09.3-01.1, subsection 1 of section 23-16-01.1, and"

Page 1, line 3, after the second "to" insert "the moratorium on basic care, nursing facility bed capacity, and"

Page 1, line 6, replace "a report" with "for reports"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$28,049,386	\$144,142	\$28,193,528
Operating expenses	87,542,966	73,025,478	160,568,444
Capital assets	26,000	(26,000)	0
Grants	<u>0</u>	<u>204,000</u>	<u>204,000</u>
Total all funds	\$115,618,352	\$73,347,620	\$188,965,972
Less estimated income	<u>71,324,758</u>	<u>59,038,552</u>	<u>130,363,310</u>
Total general fund	\$44,293,594	\$14,309,068	\$58,602,662"

Page 2, replace lines 6 through 13 with:

"Salaries and wages	\$58,102,898	\$3,618,130	\$61,721,028
Operating expenses	107,383,843	17,540,098	124,923,941
Capital assets	0	10,000	10,000
Grants	457,953,280	7,106,488	465,059,768
Grants - medical assistance	<u>2,384,560,568</u>	<u>220,075,998</u>	<u>2,604,636,566</u>
Total all funds	\$3,008,000,589	\$248,350,714	\$3,256,351,303

Less estimated income	<u>1,995,024,801</u>	<u>156,036,536</u>	<u>2,151,061,337</u>
Total general fund	\$1,012,975,788	\$92,314,178	\$1,105,289,966"

Page 2, replace lines 18 through 22 with:

"Human service centers	\$198,888,443	(\$1,791,587)	\$197,096,856
Institutions	<u>139,587,498</u>	<u>1,167,951</u>	<u>140,755,449</u>
Total all funds	\$338,475,941	(\$623,636)	\$337,852,305
Less estimated income	<u>132,820,302</u>	<u>6,293,949</u>	<u>139,114,251</u>
Total general fund	\$205,655,639	(\$6,917,585)	\$198,738,054"

Page 2, replace lines 27 through 30 with:

"Grand total general fund	\$1,262,925,021	\$99,705,661	\$1,362,630,682
Grand total special funds	<u>2,199,169,861</u>	<u>221,369,037</u>	<u>2,420,538,898</u>
Grand total all funds	\$3,462,094,882	\$321,074,698	\$3,783,169,580
Full-time equivalent positions	2,211.08	(45.85)	2,165.23"

Page 3, line 2, replace "\$6,376,445" with "\$5,914,453"

Page 3, line 2, replace "\$5,350,004" with "\$4,962,381"

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

Page 4, line 29, replace "\$16,000,000" with "\$37,779,159"

Page 5, line 9, replace "**AND**" with a bold comma

Page 5, line 10, after "**MARGINS**" insert ", **AND INCENTIVES**"

Page 5, line 11, replace "\$329,636" with "\$417,010"

Page 5, line 12, replace "\$329,636" with "\$417,010"

Page 5, line 14, replace the "and" with a comma

Page 5, line 14, after "margins" insert ", and incentives"

Page 5, after line 15, insert:

"SECTION 12. APPROPRIATION - 2015-17 BIENNIUM - SUBSTANCE USE DISORDER VOUCHER PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the substance use disorder voucher program, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 13. LEGISLATIVE INTENT - RESTORATION FUNDING FOR BASIC CARE. It is the intent of the sixty-fifth legislative assembly that the funding appropriated to the department of human services for the restoration of basic care provider rates be prioritized in the following order:

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

Page 5, after line 27, insert:

"SECTION 15. LEGISLATIVE INTENT - CARE COORDINATION AGREEMENTS. It is the intent of the sixty-fifth legislative assembly that the department of human services establish requisite agreements with tribal health care organizations that will result in one hundred percent federal funding for eligible

medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019."

Page 5, line 28, remove "TRAUMATIC"

Page 5, line 30, replace "apply for a" with "include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid"

Page 5, line 30, remove "for traumatic brain injury services"

Page 6, line 1, remove "an"

Page 6, line 1, remove "0.5 full-time equivalent position and"

Page 6, line 2, replace "this purpose" with "enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury for the biennium beginning July 1, 2017, and ending June 30, 2019"

Page 6, after line 8, insert:

"SECTION 18. STAFF OVERTIME FUNDING - UNSPENT APPROPRIATION AUTHORITY. The appropriations in section 1 of this Act, include \$1,832,267, of which \$1,082,857 is from the general fund, for compliance with state and federal laws and regulations relating to staff overtime. Any funding not needed specifically for complying with state or federal overtime regulations may not be spent and must be included in the department's unspent appropriation authority canceled pursuant to section 54-44.1-11, at the end of the 2017-19 biennium."

Page 7, after line 4, insert:

"SECTION 23. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES - VARIANCE. It is the intent of the sixty-fifth legislative assembly that during the 2017-19 biennium, the department of human services may authorize a treatment or care center's variance request relating to the treatment or care center's bedrooms or bathrooms, if the department determines the variance does not pose a health or safety risk. It is also the intent that the department of human services adopt rules to establish a variance process that allows the department to grant a variance if the variance will not pose a danger to the health or safety of an individual served by the treatment or care center.

SECTION 24. LEGISLATIVE INTENT - PROCESS AND OUTCOME MEASURES. It is the intent of the sixty-fifth legislative assembly that behavioral health service providers that receive funding from the department of human services submit process and outcome measures to the department for programs and services supported by state funding.

SECTION 25. LEGISLATIVE INTENT - TELEPHONE SUPPORT AND DIRECTORY SERVICES. It is the intent of the sixty-fifth legislative assembly that the vendor of telephone and directory services, under contract with the department of human services, include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.

SECTION 26. REPORTING REQUIREMENTS - YOUTH ACCESS TO TOBACCO. The operating expenses line item in subdivision 2 of section 1 of this Act includes \$75,000 from the tobacco prevention and control trust fund for costs of complying with youth access to tobacco reporting requirements under title 45, Code of Federal Regulations, part 96, section 130, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state department of health and local public health units shall collect and disclose all required data reporting elements to the department of human services.

SECTION 27. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS. It is the intent of the sixty-fifth legislative assembly that, based on staffing needs, the department of human services transfer full-time equivalent positions as necessary among the department's programs.

SECTION 28. ROBINSON RECOVERY CENTER FUNDING.

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

SECTION 29. LEGISLATIVE INTENT - OPERATING EXPENSES. It is the intent of the sixty-fifth legislative assembly that the department of human services analyze its budgetary needs and allocate up to \$1,102,618 from the general fund included in the operating expenses line item in subdivision 1 of section 1 of this Act to other subdivisions within section 1 of this Act based on the department's priorities resulting from its analysis."

Page 7, line 5, replace "**LEGISLATIVE MANAGEMENT**" with "**DEPARTMENT OF HUMAN SERVICES**"

Page 7, line 6, after "**PROGRAMS**" insert "- **REPORTS TO LEGISLATIVE MANAGEMENT**"

Page 7, line 7, replace "legislative management" with "department of human services"

Page 7, line 7, replace "consider studying" with "study"

Page 7, replace lines 19 through 22 with:

- "e. Prepare and distribute a request for proposal to managed care organizations.
- f. Develop a proposed plan, cost estimates, and timeline for implementing managed care, and submit the plan as part of the department's 2019-21 budget request."

Page 7, line 23, replace "legislative management" with "department of human services"

Page 7, line 23, after "shall" insert "provide periodic updates and"

Page 7, line 24, remove "sixty-sixth"

Page 7, line 25, replace "legislative assembly" with "legislative management"

Page 7, after line 25, insert:

"SECTION 31. LEGISLATIVE MANAGEMENT STUDY - HOME- AND COMMUNITY-BASED SERVICES. During the 2017-18 interim, the legislative management shall consider studying the quality and availability of home- and community-based services for individuals across the state who have developmental disabilities. The study must identify whether there are gaps in service and make recommendations to address identified gaps. The study also must include an evaluation of the funding, mission, and caseload at the life skills and transition center, including the center's transition plan and the number of clients determined eligible for community placement. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 32. LEGISLATIVE MANAGEMENT STUDY - STATE HOSPITAL LAND. During the 2017-18 interim, the legislative management shall consider studying the use of land at the state hospital to determine the most effective and efficient use of the land. The study must include the feasibility and desirability of selling land owned by the state hospital. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES. During the 2017-18

interim, the legislative management shall consider studying state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs. The study must include a review of the following:

1. The state's services and delivery systems, including whether changes are necessary to maintain compliance with state and federal laws and regulations;
2. Efforts by other states to comply with the 1999 Olmstead v. L.C. case, including the planning and implementation process for any new programs;
3. Community- and non-community-based services, including the costs and effectiveness of services;
4. Noncompliance with state and federal laws and regulations, including a review of the fees and penalties for noncompliance;
5. A comparison of voluntary and involuntary compliance with state and federal laws and regulations, including a review of long-term costs and effectiveness;
6. The impact of implementation and expansion of selected programs that were added to address unmet needs, including the impact on costs and effectiveness of new programs;
7. Needed changes to address noncompliance and a timeline for completing changes; and
8. Data on the number of individuals that would be impacted by voluntary compliance efforts, and data on the type of services that may need changing, including housing, peer counseling, outpatient treatment, crisis line access, and transportation services.

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

SECTION 34. AMENDMENT. Subsection 1 of section 23-09.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

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

approved entity shall license the beds within forty-eight months from the date of approval.

SECTION 35. AMENDMENT. Subsection 1 of section 23-16-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1, 2015~~2017~~, and July 31, 2017~~2019~~. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period."

Page 8, line 8, remove "Effective January 1, 2018, medical assistance expansion program applicants and"

Page 8, remove lines 9 and 10

Page 8, line 11, remove "4."

Page 8, line 13, replace "5." with "4."

Page 9, line 2, replace "6." with "5."

Page 9, line 9, replace "7." with "6."

Page 9, line 16, replace "21" with "37"

Page 9, line 20, after the second comma, insert "12,"

Page 9, line 20, replace "15" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
DHS - Management				
Total all funds	\$115,618,352	\$183,107,141	\$5,858,831	\$188,965,972
Less estimated income	71,324,758	128,092,518	2,270,792	130,363,310
General fund	\$44,293,594	\$55,014,623	\$3,588,039	\$58,602,662
DHS - Program/Policy				
Total all funds	\$3,008,000,589	\$3,003,441,602	\$252,909,701	\$3,256,351,303
Less estimated income	1,995,024,801	1,904,175,061	246,886,276	2,151,061,337
General fund	\$1,012,975,788	\$1,099,266,541	\$6,023,425	\$1,105,289,966
DHS - Field Services				
Total all funds	\$338,475,941	\$335,651,282	\$2,201,023	\$337,852,305
Less estimated income	132,820,302	138,122,012	992,239	139,114,251
General fund	\$205,655,639	\$197,529,270	\$1,208,784	\$198,738,054
Bill total				
Total all funds	\$3,462,094,882	\$3,522,200,025	\$260,969,555	\$3,783,169,580
Less estimated income	2,199,169,861	2,170,389,591	250,149,307	2,420,538,898
General fund	\$1,262,925,021	\$1,351,810,434	\$10,820,248	\$1,362,630,682

House Bill No. 1012 - DHS - Management - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$28,049,386	\$23,437,315	\$4,756,213	\$28,193,528

Operating expenses	87,542,966	159,465,826	1,102,618	160,568,444
Capital assets	26,000			
Grants		204,000		204,000
Total all funds	\$115,618,352	\$183,107,141	\$5,858,831	\$188,965,972
Less estimated income	71,324,758	128,092,518	2,270,792	130,363,310
General fund	\$44,293,594	\$55,014,623	\$3,588,039	\$58,602,662
FTE	147.10	122.45	28.00	150.45

Department No. 326 - DHS - Management - Detail of Senate Changes

	Management ¹	Total Senate Changes
Salaries and wages	\$4,756,213	\$4,756,213
Operating expenses	1,102,618	1,102,618
Capital assets		
Grants		
Total all funds	\$5,858,831	\$5,858,831
Less estimated income	2,270,792	2,270,792
General fund	\$3,588,039	\$3,588,039
FTE	28.00	28.00

1

Management - Senate Changes:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Ongoing Funding Changes				
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(\$26,664)	(\$12,933)	(\$39,597)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service		84,610	43,811	128,421
Adds funding for staff overtime		234,364	112,189	346,553
Adds funding for departmentwide operating expenses		1,102,618	0	1,102,618
Restores departmentwide FTE positions	28.00	2,193,111	2,127,725	4,320,836
Total changes - Management	28.00	\$3,588,039	\$2,270,792	\$5,858,831

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$58,102,898	\$60,987,433	\$733,595	\$61,721,028
Operating expenses	107,383,843	124,591,049	332,892	124,923,941
Capital assets		10,000		10,000
Grants	457,953,280	463,874,768	1,185,000	465,059,768
Grants - Medical assistance	2,384,560,568	2,353,978,352	250,658,214	2,604,636,566
Total all funds	\$3,008,000,589	\$3,003,441,602	\$252,909,701	\$3,256,351,303
Less estimated income	1,995,024,801	1,904,175,061	246,886,276	2,151,061,337
General fund	\$1,012,975,788	\$1,099,266,541	\$6,023,425	\$1,105,289,966
FTE	348.50	358.50	1.00	359.50

Department No. 328 - DHS - Program/Policy - Detail of Senate Changes

	Program and Policy ¹	Total Senate Changes
Salaries and wages	\$733,595	\$733,595
Operating expenses	332,892	332,892
Capital assets		
Grants	1,185,000	1,185,000
Grants - Medical assistance	250,658,214	250,658,214
Total all funds	\$252,909,701	\$252,909,701
Less estimated income	246,886,276	246,886,276
General fund	\$6,023,425	\$6,023,425
FTE	1.00	1.00

1

Program and Policy - Senate Changes:

FTE Positions	General Fund	Other Funds	Total
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2017-19 Ongoing Funding Changes

Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month	(\$43,940)	(\$32,239)	(\$76,179)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service	169,458	340,113	509,571
Adds funding for staff overtime	37,447	66,675	104,122

Economic Assistance

Moves funding added by the House for alternatives to abortion services from children and family services	0	100,000	100,000
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Medical Services

Adds funding from the tobacco prevention and control trust fund to replace general fund support of health services	(21,000,000)	21,000,000	0
Adds funding of \$704,159 from the tobacco prevention and control trust fund and related federal funds for opioid treatment	0	1,408,318	1,408,318
Adds funding for physical, occupational, and speech therapy service provider rate increases to 75 percent	56,485	56,485	112,970
Adds funding to continue Medicaid Expansion for 19 and 20 year olds as managed care	1,653,008	1,652,962	3,305,970
Adds funding to continue the Medicaid Expansion program as managed care at commercial rates	13,300,000	212,700,000	226,000,000

Long-Term Care

Adjusts funding for nursing home incentives	1,152,003	1,152,003	2,304,006
Adds funding for the Fair Labor Standards Act - Home Care Rule funding for qualified service providers	2,871,613	1,937,248	4,808,861

Children and Family Services

Moves funding added by the House for alternatives to abortion services from children and family services	0	(100,000)	(100,000)
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Behavioral Health Division

Restores funding for Parent's LEAD program	231,000	0	231,000
Adds funding for the substance use disorder voucher program to provide a total of \$1.5 million	1,125,000	0	1,125,000
Adds funding from the tobacco prevention and control trust fund for tobacco prevention related activities	0	75,000	75,000

Developmental Disabilities

Adds funding for rate adjustments	6,109,044	6,109,045	12,218,089
Adds funding for specialized services for individuals with developmental disability	1.00 250,307	260,666	510,973
Adds federal funding for the Experienced Parent program to provide a total of \$260,000	0	160,000	160,000
Adds funding for corporate guardianship services for individuals with developmental disabilities	112,000	0	112,000
Total changes - Program and policy	1.00 \$6,023,425	\$246,886,276	\$252,909,701

House Bill No. 1012 - DHS - Field Services - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Human service centers	\$198,888,443	\$195,804,854	\$1,292,002	\$197,096,856
Institutions	139,587,498	139,846,428	909,021	140,755,449
Total all funds	\$338,475,941	\$335,651,282	\$2,201,023	\$337,852,305
Less estimated income	132,820,302	138,122,012	992,239	139,114,251
General fund	\$205,655,639	\$197,529,270	\$1,208,784	\$198,738,054
FTE	1715.48	1655.28	0.00	1655.28

Department No. 349 - DHS - Field Services - Detail of Senate Changes

	Field Services ¹	Total Senate Changes
Human service centers	\$1,292,002	\$1,292,002
Institutions	909,021	909,021
Total all funds	\$2,201,023	\$2,201,023
Less estimated income	992,239	992,239
General fund	\$1,208,784	\$1,208,784
FTE	0.00	0.00

1

Field Services - Senate Changes:

FTE Positions	General Fund	Other Funds	Total
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2017-19 Ongoing Funding Changes

Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month	(\$317,019)	(\$29,197)	(\$346,216)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state services	714,757	450,890	1,165,647
Adds funding for staff overtime	811,046	570,546	1,381,592
Total changes - Field services	0.00	\$1,208,784	\$992,239
			\$2,201,023

This amendment also:

1. Adds a section providing that funding of \$1,832,267, of which \$1,082,857 is from the general fund included in the department's budget is for compliance with state and federal laws and regulations relating to staff overtime. Any funds not needed for this purpose must be included in the department's unspent appropriation authority (turnback) at the end of the 2017-19 biennium.
2. Adds a section to allow the department discretion to allocate the 28 full-time equivalent positions restored by the Senate to appropriate department divisions.
3. Adds a section to provide a \$200,000 general fund appropriation as an emergency measure for the substance use disorder voucher program for the 2015-17 biennium.
4. Adds a section to provide a \$174,748 appropriation, of which \$87,374 is from the general fund, as an emergency measure for long-term care incentives beginning June 1, 2017.
5. Adds a section identifying \$75,000 from the tobacco prevention and control trust fund for compliance with youth access to tobacco reporting requirements under Title 45, Code of Federal Regulations, Part 96, Section 130, for the 2017-19 biennium. In addition, the section requires the State Department of Health and the local public health units to collect and disclose all required data reporting elements to the Department of Human Services.
6. Adds a section of legislative intent for the Department of Human Services to establish requisite agreements with tribal health care organizations that will result in 100 percent federal funding for eligible medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019.
7. Adds a section of legislative intent to provide for the Department of Human Services to analyze its budgetary needs and allocate \$1,102,618 of operating expenses added by the Senate based on the department's priorities from its analysis.
8. Adds a section to provide legislative intent relating to residential care and services for the developmentally disabled to allow the department to grant a variance of the rules to a treatment or care center for a good cause.
9. Adds a section to allow the Department of Human Services to involve other providers for substance use disorder treatment services if the current contractor is unable to provide services anticipated under the current contract for the 2017-19 biennium.
10. Adds a section of legislative intent providing that behavioral health service providers that receive funding from the Department of Human Services submit process and outcome measures for the programs and services receiving state funding.
11. Adds a section of legislative intent providing that a vendor for telephone and directory services under contract with the Department of Human Services include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.
12. Amends section 13 of House Bill No. 1012 relating to brain injury to provide legislative intent that the Department of Human Services include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid 1915(i) state plan amendment. This section also allows the department to utilize existing funding available in the department's budget for enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury.
13. Provides for the department to study options to operate the state medical assistance program and other related programs, as managed care.
14. Adds a section of legislative intent providing for prioritization of basic care provider rates.
15. Amends a section relating to Medicaid Expansion to remove language requiring 19 and 20 year olds to receive coverage through traditional medical assistance.
16. Adds sections to continue the moratoriums on basic care and nursing facility bed capacity.
17. Adds a section to provide for a Legislative Management study relating to home- and community-based services.
18. Adds a section to provide for a Legislative Management study relating to land owned by the State Hospital.
19. Adds a section to provide for a Legislative Management study relating to behavioral health and developmental disabilities services.

REPORT OF STANDING COMMITTEE

HB 1178, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (3 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1178 was placed on the Sixth order on the calendar.

Page 1, line 1, after "to" insert "create and enact a new section to chapter 37-17.3 of the North Dakota Century Code, relating to the creation of a statewide interoperable radio network fund, to"

Page 1, line 1, after "reenact" insert "subsection 1 of section 37-17.3-02.2, subsection 4 of section 54-59-05,"

Page 1, line 2, after the second "the" insert "statewide interoperability executive committee, the powers and duties of the information technology department, the"

Page 1, line 3, after the first "fee" insert a comma

Page 1, line 3, after the second "fee" insert "; to authorize borrowing authority; to provide an appropriation; to provide statements of legislative intent; to provide for a budget section report; and to provide an expiration date"

Page 1, after line 4, insert:

"SECTION 1. A new section to chapter 37-17.3 of the North Dakota Century Code is created and enacted as follows:

Statewide interoperable radio network fund.

1. A fund known as the statewide interoperable radio network fund must be maintained in the state treasury. Subject to legislative approval and statewide interoperability executive committee approval, moneys in the fund must be used for providing the required state share of funding for expenses associated with the purchase, installation, operation, and maintenance of a statewide interoperable radio network. The fund consists of all moneys transferred into the fund, interest earned on moneys in the fund, payments to the fund, and other fund earnings.
2. The chief information officer of the information technology department may apply for and accept funds, grants, gifts, or services made available for the statewide interoperable radio network by an agency or department of the federal government or any other person. Any funds, grants, or gifts, or moneys received from services received under this section must be deposited in the statewide interoperable radio network fund.
3. Revenue received by a political subdivision in accordance with subsection 2 of section 57-40.6-02 must be remitted to the state treasurer for deposit in the statewide interoperable radio network fund.

SECTION 2. AMENDMENT. Subsection 1 of section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The statewide interoperability executive committee consists of:
 - a. The director of state radio or a designee;
 - b. The director of the division of homeland security or a designee;
 - c. The superintendent of the highway patrol or a designee;
 - d. The adjutant general or a designee;
 - e. The director of the department of transportation or a designee;
 - f. A representative of the North Dakota sheriff's and deputies association;
 - g. A representative of the North Dakota emergency managers association;
 - h. A representative of the North Dakota fire chiefs association;
 - i. A representative of the North Dakota emergency medical services association;
 - j. A representative of the North Dakota police chiefs association;
 - k. A representative of the North Dakota peace officers association;

- l. A representative of the North Dakota 911 association; and
- m. The North Dakota chief information officer or a designee;
- n. The North Dakota Indian affairs commission executive director or a designee; and
- o. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management.

SECTION 3. AMENDMENT. Subsection 4 of section 54-59-05 of the North Dakota Century Code is amended and reenacted as follows:

- 4. May purchase, finance the purchase, or lease equipment, software, or implementation services or replace, including by trade or resale, equipment or software as may be necessary to carry out this chapter. With the exception of agreements entered related to the statewide interoperable radio network, an agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of five years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative management or the legislative assembly before executing a financing agreement. If the budget section or the legislative assembly does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. TheWith the exception of financing for the statewide interoperable radio network, the department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed seven and one-half percent of the amount appropriated to the department during that biennium."

Page 1, line 22, remove "dedicated to the political subdivision obligation to"

Page 1, line 23, remove "the statewide interoperability radio network and"

Page 1, line 23, remove "governing joint powers"

Page 1, remove line 24

Page 2, line 1, replace "interoperability radio network" with "state treasurer for deposit in the statewide interoperable radio network fund in accordance with section 1 of this Act for implementing a statewide interoperable radio network"

Page 3, after line 28, insert:

"SECTION 6. STATEWIDE INTEROPERABLE RADIO NETWORK IMPLEMENTATION - FUTURE EXPENDITURES. During the 2017-18 interim, the information technology department shall begin implementation of a statewide interoperable radio network based on findings in the North Dakota statewide interoperable network feasibility study and its recommendations as adopted by the statewide interoperability executive committee. Current and future appropriations and local government contributions for improvement or expansion of state or local public safety land mobile radio systems must be expended in a manner consistent with the recommendations of the statewide interoperability executive committee and only for solutions that are determined by the committee to be interoperable and functional with the statewide system.

SECTION 7. LOAN AUTHORIZATION - APPROPRIATION - STATEWIDE INTEROPERABLE RADIO NETWORK - BUDGET SECTION REPORTS. The information technology department may obtain a loan, subject to budget section approval, from the Bank of North Dakota in an amount not to exceed \$15,000,000, the sum of which is appropriated to the information technology department, for the purpose of defraying the expenses of the statewide interoperable radio network for

the biennium beginning July 1, 2017, and ending June 30, 2019. The term of the loan may not exceed six years. The loan authorized in this section must be repaid from funds available in the statewide interoperable radio network fund. During the 2017-18 interim, the information technology department shall provide status reports to the budget section regarding the implementation and progress of the statewide interoperable radio network.

SECTION 8. LEGISLATIVE INTENT - RADIO FREQUENCIES. By September 30, 2018, all North Dakota entities operating a public-safety answering point shall relinquish legal rights to any radio frequency required for the statewide interoperable radio network trunk system, allowing these frequencies to be utilized by the state of North Dakota for the use of this network.

SECTION 9. LEGISLATIVE INTENT - STATEWIDE INTEROPERABLE RADIO NETWORK CONSOLIDATION. It is the intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the information technology department and statewide interoperability executive committee make efforts to consolidate certain functions within the statewide interoperable radio network.

SECTION 10. EXPIRATION DATE. This Act is effective through July 31, 2023, and after that date is ineffective."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1361, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1361 was placed on the Sixth order on the calendar.

In lieu of the amendments as printed on pages 1274-1277 of the Senate Journal, Engrossed House Bill No. 1361 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code, relating to voter imposed limitations on the amount of property tax levied by taxing districts; to amend and reenact section 57-20-04 of the North Dakota Century Code, relating to the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts; to provide for a report to the legislative management; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 57-15-02.2 of the North Dakota Century Code is created and enacted as follows:

57-15-02.2. Limitation on levies by taxing districts with voter approval.

1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section supersedes and limits that authority. For purposes of this section, "taxing district" means any park district, city, or county. This section may not be interpreted as authority to increase any property tax levy authority otherwise provided by law and must be applied to limit any property tax levy authority to which a taxing district may otherwise be entitled.
2. Upon receipt of a petition containing the signatures of at least ten percent of the number of qualified electors of the taxing district who cast votes in the most recent general election in the taxing district, but no fewer than twenty-five signatures, the governing body of the taxing district shall submit to the qualified electors at the next regularly scheduled primary election, or a special election to take place on the second Tuesday in June in a year that a primary election is not scheduled, the question of approving or disapproving the levy limitation under this section. The

- ballot measure question to approve the levy limitation must include a statement identifying the annual increase in property taxes levied by the taxing district in each of the previous three taxable years as reported in section 57-20-04. Levy limitations approved by electors may not be effective for more than one taxable year.
3. If approved by a majority of qualified electors in a taxing district voting on the question, property taxes levied in dollars by the taxing district may not exceed the amount the taxing district levied in dollars in the preceding taxable year by more than three percent, except:
- a. When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year.
 - b. When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year.
 - c. When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced for purposes of this section by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.
 - d. When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the previous taxable year but is no longer applicable or has been reduced, the amount levied in dollars in the previous taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied.
4. The limitation on the total amount levied by a taxing district under subsection 3 does not apply to:
- a. New or increased property tax levy authority that was not available to the taxing district in the preceding taxable year, including property tax levy authority provided by state law or approved by the electors of the taxing district.
 - b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 3.
 - c. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 3.
 - d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District, authorized by section 57-15-26.8.

- e. Taxes or special assessments levied to pay the principal and interest on any obligations of any taxing district evidenced by the issuance of bonds.
 - f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for a special improvement project by general taxation.
5. A city or county may not supersede or modify the application of the provisions of this section under home rule authority.

SECTION 2. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

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

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

SECTION 3. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 4. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2016."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2156: Your conference committee (Sens. J. Lee, Burckhard, Anderson and Reps. D. Anderson, Damschen, Bosch) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1112-1114 and place SB 2156 on the Seventh order.

SB 2156 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2200: Your conference committee (Sens. Bekkedahl, Cook, Meyer and Reps. Steiner, Howe, Schobinger) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 810, adopt amendments as follows, and place

SB 2200 on the Seventh order:

That the House recede from its amendments as printed on page 810 of the Senate Journal and page 963 and 964 of the House Journal and that Senate Bill No. 2200 be amended as follows:

Page 2, line 13, remove the overstrike over "~~approved by a majority of the electors of~~"

Page 2, line 14, remove the overstrike "~~the city~~"

Page 2, line 14, after "57-15-38" insert "for specified purposes"

Page 2, line 14, overstrike "an" and insert immediately thereafter "a specified"

Page 2, line 15, after the period insert "Taxes levied for a capital improvements fund approved by sixty percent or more of the electors of the city in accordance with section 57-15-38 for general purposes may be levied in an amount not exceeding ten mills."

Page 2, line 15, remove the overstrike over "sixty"

Page 2, line 16, remove the overstrike over "~~percent or more~~"

Page 2, line 16, remove "a majority"

Page 2, line 17, after "57-15-38" insert "for specified purposes"

Page 2, line 17, overstrike the first "an" and insert immediately thereafter "a specified"

Page 2, after line 20 insert:

"1."

Page 2, line 22, after "57-15-10" insert ", to be used for one of the purposes specified under subsection 5"

Page 2, line 22, remove the overstrike over "~~; when authorized to do so by a majority of the~~"

Page 2, line 23, remove the overstrike over "~~electors voting upon the question at a primary or general election~~"

Page 2, line 24, overstrike "When authorized by"

Page 2, line 24, remove "a majority"

Page 2, line 24, overstrike "of the qualified electors voting upon the"

Page 2, overstrike lines 25 through 27 and insert immediately thereafter "A ballot submitted to the electors under this subsection may contain multiple questions and each question must specify:

- a. The singular purpose, selected from the purposes specified under subsection 5, for which the levy authority is being sought;
 - b. The number of mills requested for the purpose specified in subdivision a; and
 - c. The duration of the requested levy authority.
2. The governing body of any city may levy a tax for a capital improvements fund not exceeding ten mills under section 57-15-10, to be used for any of the purposes specified under subsection 5, when authorized to do so by sixty percent or more of the qualified electors voting upon the question at a primary or general election.

3. The governing body of any city may levy an additional tax for a capital improvements fund exceeding ten mills but not exceeding twenty mills under subsection 57-15-10, to be used for one of the purposes specified under subsection 5, when authorized to do so by sixty percent or more of the electors voting upon the question at a primary or general election. A ballot submitted to the electors under this subsection may contain multiple questions and each question must specify:
- a. The singular purpose, selected from the purposes specified under subsection 5, for which the levy authority is being sought;
 - b. The number of mills requested for the purpose specified in subdivision a; and
 - c. The duration of the requested levy authority.

4. "

Page 3, after line 2 insert:

"5. "

Page 3, line 3, overstrike "must" and insert immediately thereafter "may"

Page 3, line 3, overstrike "paying" and insert immediately thereafter ":

a. Paying"

Page 3, line 5, overstrike "acquiring" and insert immediately thereafter:

"b. Acquiring"

Page 3, line 6, overstrike "a" and insert immediately thereafter:

"c. A"

Page 3, line 7, overstrike "capital" and insert immediately thereafter:

"d. Capital"

Page 3, line 8, overstrike "capital" and insert immediately thereafter:

"e. Capital"

Page 3, line 10, replace "acquiring" with:

"f. Acquiring"

Page 3, line 12, overstrike "The governing body of"

Page 3, overstrike line 13

Page 3, line 14, overstrike "specify the purposes for which the capital improvements fund is to be used." and insert immediately thereafter:

"6. "

Renumber accordingly

SB 2200 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2313, as engrossed: Your conference committee (Sens. Unruh, Armstrong, Oban and Reps. Lefor, Damschen, Roers Jones) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 850, adopt amendments as follows,

and place SB 2313 on the Seventh order:

That the House recede from its amendments as printed on page 850 of the Senate Journal and page 1017 of the House Journal and that Engrossed Senate Bill No. 2313 be amended as follows:

Page 1, line 3, remove "17-04-03,"

Page 1, line 3, remove the second comma

Page 1, line 4, remove "the creation and duration of wind energy easements,"

Page 1, line 5, remove the comma

Page 1, line 6, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, line 12, replace the first "and" with an underscored comma

Page 1, line 12, after "support" insert ", and outreach"

Page 1, line 17, remove "The program may provide technical education, support, and outreach on wind-related"

Page 1, remove line 18

Page 1, line 19, remove "4."

Page 1, after line 21, insert:

"4. The agriculture commissioner shall work in cooperation with the public service commission to carry out the duties described in this section."

Page 1, remove lines 22 and 23

Page 2, remove lines 1 through 12

Page 3, line 12, after "and" insert "less than"

Page 3, line 12, after "turbine" insert "or more"

Page 3, line 12, remove "any"

Page 3, line 13, remove "quarter section of property containing"

Page 3, line 13, replace "occupied" with "inhabited rural"

Page 3, line 15, replace "A variance may be granted" with "The commission may grant a variance"

Page 3, line 16, after "permittee" insert ", the nonparticipating landowner,"

Page 3, line 21, after the underscored period insert "A local zoning authority may require setback distances greater than those required under this subsection. For purposes of this subsection, "height of the turbine" means the distance from the base of the wind turbine to the turbine blade tip when it is in its highest position."

SECTION 4. LEGISLATIVE INTENT - WIND ENERGY RESTORATION AND RECLAMATION OVERSIGHT PROGRAM. It is the intent of the sixty-fifth legislative assembly that the agriculture commissioner establish the wind property restoration and reclamation oversight program, created in section 1 of this Act, using existing operating funds."

Page 3, line 22, replace "4" with "3"

Page 3, line 22, remove "have applied"

Page 3, line 23, replace "for" with "receive"

Page 3, line 23, replace "December 31" with "August 1"

Renumber accordingly

Engrossed SB 2313 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2045: Your conference committee (Sens. Campbell, Casper, Nelson and Reps. Grueneich, Owens, Weisz) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1083 and place SB 2045 on the Seventh order.

SB 2045 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2166, as engrossed: Your conference committee (Sens. Cook, Unruh, Dotzenrod and Reps. Olson, Howe, Grueneich) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 983, adopt amendments as follows, and place SB 2166 on the Seventh order:

That the House recede from its amendments as printed on page 983 of the Senate Journal and page 1112 of the House Journal and that Engrossed Senate Bill No. 2166 be amended as follows:

Page 2, line 7, replace "instruments" with "increments"

Page 5, after line 29, insert:

"SECTION 7. LEGISLATIVE MANAGEMENT STUDY - APPLICATION OF PROPERTY TAX INCENTIVES. During the 2017-18 interim, the legislative management shall consider studying the duplicative application of property tax incentives, including benefits received by properties located in both a tax increment financing district and a renaissance zone; the duration for which a single property may benefit from the use of multiple property tax incentives; and the impacts on the remainder of the property tax base that is not receiving incentives created as a result of offering property tax incentives. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Page 5, line 31, replace "December" with "July"

Renumber accordingly

Engrossed SB 2166 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2273, as engrossed: Your conference committee (Sens. Bekkedahl, Meyer, Dotzenrod and Reps. Olson, Trottier, Mitskog) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1055-1056, adopt amendments as follows, and place SB 2273 on the Seventh order:

That the House recede from its amendments as printed on pages 1055 and 1056 of the Senate Journal and pages 1200 and 1201 of the House Journal and that Engrossed Senate Bill No. 2273 be amended as follows:

Page 1, line 1, after the first "to" insert "amend and reenact subsection 5 of section 57-15-56 and section 57-39.2-26.2 of the North Dakota Century Code, relating to the senior citizen services and programs fund; to"

Page 1, line 2, after "records" insert "; to provide an effective date; and to provide an expiration date"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Subsection 5 of section 57-15-56 of the North Dakota Century Code is amended and reenacted as follows:

5. The state treasurer shall provide matching funds as provided in this subsection for counties for senior citizen services and programs funded as required by this section. The grants must be made on or before March first of each year to each eligible county. A county receiving a grant under this section which has not levied a tax under this section shall transfer the amount received to a city within the county which has levied a tax under this section. A grant may not be made to any county that has not filed with the state treasurer a written report verifying that grant funds received in the previous year under this subsection have been budgeted for the same purposes permitted for the expenditure of proceeds of a tax levied under this section. The written report must be received by the state treasurer on or before February first of each year following a year in which the reporting county received grant funds under this subsection. A matching fund grant must be provided from the senior citizen services and programs fund to each eligible county equal to the lesser of eighty-seven and one-half percent of the amount appropriated in dollars in the county under this section for the taxable year, but not an eligible county's proportional share of the maximum amount of grants that may be awarded under this subsection. The matching fund grant applies only to an amount equal to a levy of up to one mill under this section. The total amount of matching grants provided under this subsection may not exceed three million five hundred thousand dollars each year.

SECTION 2. AMENDMENT. Section 57-39.2-26.2 of the North Dakota Century Code is amended and reenacted as follows:

57-39.2-26.2. Allocation of revenues to senior citizen services and programs matching fund - Continuing appropriation.

Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax collections equal to the lesser of the amount of revenue that would have been generated by a levy of eighty-seven and one-half percent of one mill on the taxable valuation of all property in the state subject to a levy under section 57-15-56 in the previous taxable year, or three million five hundred thousand dollars, must be deposited by the state treasurer in the senior citizen services and programs fund during the period from July first through December thirty-first of each year. The state tax commissioner shall certify to the state treasurer the portion of sales, use, and motor vehicle excise tax revenues which must be deposited in the fund as determined under this section. Revenues deposited in the senior citizen services and programs fund are provided as a standing and continuing appropriation for allocation as provided in subsection 5 of section 57-15-56. Any unexpended and unobligated amount in the senior citizen services and programs fund at the end of any biennium must be transferred by the state treasurer to the state general fund."

Page 1, after line 13, insert:

"SECTION 4. EFFECTIVE DATE - EXPIRATION DATE. Section 1 of this Act is effective for the first two taxable years beginning after December 31, 2016, and is thereafter ineffective. Section 2 of this Act is effective for taxable events occurring after June 30, 2017, and before July 1, 2019."

Renumber accordingly

Engrossed SB 2273 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2321: Your conference committee (Sens. Rust, Vedaa, Schaible and Reps. Owens, Heinert, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1078-1079, adopt amendments as follows, and place SB 2321 on the Seventh order:

That the House recede from its amendments as printed on pages 1078 and 1079 of the Senate Journal and page 1252 of the House Journal and that Senate Bill No. 2321 be amended as follows:

Page 1, line 11, overstrike "Beginning" and insert immediately thereafter "Except as provided in subdivision c, beginning"

Page 1, line 15, replace "two hundred" with "fifty"

Page 1, after line 15, insert:

"c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus one hundred thousand dollars if the school district is in a cooperative agreement with another school district to share academic resources, and the school districts are considering reorganization under chapter 15.1-12. An eligible school district may receive payments under this provision for a maximum of two years."

Renumber accordingly

SB 2321 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1389, as reengrossed: Your conference committee (Sens. Schaible, Kannianen, Oban and Reps. Rich S. Becker, Oliver, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1174-1175, adopt amendments as follows, and place HB 1389 on the Seventh order:

That the Senate recede from the Senate amendments as printed on pages 1174 and 1175 of the House Journal and pages 907 and 908 of the Senate Journal and that Reengrossed House Bill No. 1389 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to parental directives.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

Parental directive - Administration of tests and assessments - Report.

1. A student's parent may direct the school district in which the student is enrolled not administer to the student any state test or state assessment required in accordance with section 15.1-21-08.
2. In addition to the authority granted under subsection 1, a student's parent may direct that the school district in which the student is enrolled not administer any other specific test or assessment to the student, except a parental directive under this subsection does not apply to:
 - a. Any test or assessment required by the student's school district of enrollment or this state for the completion of any grade from kindergarten through twelve;
 - b. Any test or assessment required by the student's school district of enrollment or this state for high school graduation;
 - c. The ACT; or

- d. WorkKeys assessments.
- 3. a. A parental directive is valid only if it is presented to the school district using a standardized form, prepared by the superintendent of public instruction, and signed by the student's custodial parent.
- b. A parental directive is valid only until the conclusion of the school year in which it is received by the school district.
- c. A parental directive submitted to a school district in accordance with this section must be retained as part of the student's educational record.
- 4. A school district is not liable for any consequences incurred by a student as a result of a parental directive submitted in accordance with this section.
- 5. A school district is not required to provide instruction or activities for a student during the administration of any test or assessment referenced in the parental directive submitted by the student's parent.
- 6. Each school district shall post the parental directive form on its website and make the form available to a parent, upon request.
- 7. At the time and in the manner directed by the superintendent of public instruction, each school district shall provide a report regarding:
 - a. The number of parental directives received;
 - b. The number of parental directives applicable to students who are economically disadvantaged, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency; and
 - c. Any loss of funding stemming from the parental directives."

Renumber accordingly

Reengrossed HB 1389 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1120, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Clemens and Reps. Seibel, Westlind, Schneider) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 960 and place HB 1120 on the Seventh order.

Engrossed HB 1120 was placed on the Seventh order of business on the calendar.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Sanford presiding.

CONSIDERATION OF AMENDMENTS

HB 1012, as engrossed: SEN. KILZER (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide 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 amend and reenact subsection 1 of section 23-09.3-01.1, subsection 1 of section 23-16-01.1, and section 50-24.1-37 of the North Dakota Century Code, relating to the moratorium on basic care, nursing facility

bed capacity, and Medicaid expansion; to repeal section 50-24.1-37 of the North Dakota Century Code, relating to the Medicaid expansion program; to provide for exemptions; to provide statements of legislative intent; to provide for reports to the legislative management; to provide for a legislative management study; to provide appropriations; to provide an expiration date; to provide a contingent effective date; and to declare an emergency.

MOTION

SEN. O. LARSEN MOVED that Engrossed HB 1012, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on page _____ of the Senate Journal, Engrossed House Bill No. 1012 is amended as follows:

Page 1, line 3, replace "section 50-24.1-37" with "subsection 1 of section 23-09.3-01.1 and subsection 1 of section 23-16-01.1"

Page 1, remove line 4

Page 1, line 5, replace "the Medicaid expansion program" with "the moratorium on basic care and nursing facility bed capacity"

Page 1, line 6, replace "a report" with "for reports"

Page 1, line 7, remove "to provide a"

Page 1, line 8, remove "contingent effective date;"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$28,049,386	\$144,142	\$28,193,528
Operating expenses	87,542,966	73,025,478	160,568,444
Capital assets	26,000	(26,000)	0
Grants	0	204,000	204,000
Total all funds	\$115,618,352	\$73,347,620	\$188,965,972
Less estimated income	<u>71,324,758</u>	<u>59,038,552</u>	<u>130,363,310</u>
Total general fund	\$44,293,594	\$14,309,068	\$58,602,662"

Page 2, replace lines 6 through 13 with:

"Salaries and wages	\$58,102,898	\$3,618,130	\$61,721,028
Operating expenses	107,383,843	17,540,098	124,923,941
Capital assets	0	10,000	10,000
Grants	457,953,280	7,106,488	465,059,768
Grants - medical assistance	<u>2,384,560,568</u>	<u>(426,491,266)</u>	<u>1,958,069,302</u>
Total all funds	\$3,008,000,589	(\$398,216,550)	\$2,609,784,039
Less estimated income	<u>1,995,024,801</u>	<u>(445,431,810)</u>	<u>1,549,592,991</u>
Total general fund	\$1,012,975,788	\$47,215,260	\$1,060,191,048"

Page 2, replace lines 18 through 22 with:

"Human service centers	\$198,888,443	(\$1,791,587)	\$197,096,856
Institutions	139,587,498	1,167,951	140,755,449
Total all funds	\$338,475,941	(\$623,636)	\$337,852,305
Less estimated income	<u>132,820,302</u>	<u>6,293,949</u>	<u>139,114,251</u>
Total general fund	\$205,655,639	(\$6,917,585)	\$198,738,054"

Page 2, replace lines 27 through 30 with:

"Grand total general fund	\$1,262,925,021	\$54,606,743	\$1,317,531,764
Grand total special funds	<u>2,199,169,861</u>	<u>(380,099,309)</u>	<u>1,819,070,552</u>
Grand total all funds	\$3,462,094,882	(\$325,492,566)	\$3,136,602,316
Full-time equivalent positions	2,211.08	(45.85)	2,165.23"

Page 3, line 2, replace "\$6,376,445" with "\$5,914,453"

Page 3, line 2, replace "\$5,350,004" with "\$4,962,381"

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

Page 4, line 29, replace "\$16,000,000" with "\$37,779,159"

Page 5, line 9, replace "**AND**" with a boldfaced comma

Page 5, line 10, after "**MARGINS**" insert ", **AND INCENTIVES**"

Page 5, line 11, replace "\$329,636" with "\$417,010"

Page 5, line 12, replace "\$329,636" with "\$417,010"

Page 5, line 14, replace "and" with a comma

Page 5, line 14, after "margins" insert ", and incentives"

Page 5, after line 15, insert:

"SECTION 12. APPROPRIATION - 2015-17 BIENNIUM - SUBSTANCE USE DISORDER VOUCHER PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the substance use disorder voucher program, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 13. LEGISLATIVE INTENT - RESTORATION FUNDING FOR BASIC CARE. It is the intent of the sixty-fifth legislative assembly that the funding appropriated to the department of human services for the restoration of basic care provider rates be prioritized in the following order:

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

Page 5, after line 27, insert:

"SECTION 15. LEGISLATIVE INTENT - CARE COORDINATION AGREEMENTS. It is the intent of the sixty-fifth legislative assembly that the department of human services establish requisite agreements with tribal health care organizations that will result in one hundred percent federal funding for eligible medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019."

Page 5, line 28, remove "**TRAUMATIC**"

Page 5, line 30, replace "apply for a" with "include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid "

Page 5, line 30, remove "for traumatic brain injury services"

Page 6, line 1, remove "an"

Page 6, line 1, remove "0.5 full-time equivalent position and"

Page 6, line 2, replace "this purpose" with "enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury for the biennium beginning July 1, 2017, and ending June 30, 2019"

Page 6, after line 8, insert:

"SECTION 18. STAFF OVERTIME FUNDING - UNSPENT

APPROPRIATION AUTHORITY. The appropriations in section 1 of this Act, include \$1,832,267, of which \$1,082,857 is from the general fund, for compliance with state and federal laws and regulations relating to staff overtime. Any funding not needed specifically for complying with state or federal overtime regulations may not be spent and must be included in the department's unspent appropriation authority canceled pursuant to section 54-44.1-11, at the end of the 2017-19 biennium."

Page 7, after line 4, insert:

"SECTION 23. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES

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

SECTION 24. LEGISLATIVE INTENT - PROCESS AND OUTCOME

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

SECTION 25. LEGISLATIVE INTENT - TELEPHONE SUPPORT AND

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

SECTION 26. REPORTING REQUIREMENTS - YOUTH ACCESS TO

TOBACCO. The operating expenses line item in subdivision 2 of section 1 of this Act includes \$75,000 from the tobacco prevention and control trust fund for costs of complying with youth access to tobacco reporting requirements under title 45, Code of Federal Regulations, part 96, section 130, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state department of health and local public health units shall collect and disclose all required data reporting elements to the department of human services.

SECTION 27. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT

POSITIONS. It is the intent of the sixty-fifth legislative assembly that, based on staffing needs, the department of human services transfer full-time equivalent positions as necessary among the department's programs.

SECTION 28. ROBINSON RECOVERY CENTER FUNDING.

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

SECTION 29. LEGISLATIVE INTENT - OPERATING EXPENSES.

It is the intent of the sixty-fifth legislative assembly that the department of human services analyze its budgetary needs and allocate up to \$1,102,618 from the general fund included in the operating expenses line item in subdivision 1 of section 1 of this Act to other subdivisions within section 1 of this Act based on the department's priorities resulting from its analysis."

Page 7, line 5, replace "**LEGISLATIVE MANAGEMENT**" with "**DEPARTMENT OF HUMAN SERVICES**"

Page 7, line 6, after "**PROGRAMS**" insert "- **REPORTS TO LEGISLATIVE MANAGEMENT**"

Page 7, line 7, replace "legislative management" with "department of human services"

Page 7, line 7, replace "consider studying" with "study"

Page 7, remove lines 19 through 22

Page 7, line 23, replace "legislative management" with "department of human services"

Page 7, line 23, after "shall" insert "provide periodic updates and"

Page 7, line 24, remove "sixty-sixth"

Page 7, line 25, replace "legislative assembly" with "legislative management"

Page 7, after line 25, insert:

"SECTION 31. LEGISLATIVE MANAGEMENT STUDY - HOME- AND COMMUNITY-BASED SERVICES. During the 2017-18 interim, the legislative management shall consider studying the quality and availability of home- and community-based services for individuals across the state who have developmental disabilities. The study must identify whether there are gaps in service and make recommendations to address identified gaps. The study also must include an evaluation of the funding, mission, and caseload at the life skills and transition center, including the center's transition plan and the number of clients determined eligible for community placement. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 32. LEGISLATIVE MANAGEMENT STUDY OF STATE HOSPITAL LAND. During the 2017-18 interim, the legislative management shall consider studying the use of land at the state hospital to determine the most effective and efficient use of the land. The study must include the feasibility and desirability of selling land owned by the state hospital. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES SERVICES. During the 2017-18 interim, the legislative management shall consider studying state and federal laws and regulations relating to the care and treatment of individuals with developmental disabilities or behavioral health needs. The study must include a review of the following:

1. The state's services and delivery systems, including whether changes are necessary to maintain compliance with state and federal laws and regulations;
2. Efforts by other states to comply with the 1999 Olmstead v. L.C. case, including the planning and implementation process for any new programs;
3. Community- and non-community-based services, including the costs and effectiveness of services;
4. Noncompliance with state and federal laws and regulations, including a review of the fees and penalties for noncompliance;
5. A comparison of voluntary and involuntary compliance with state and federal laws and regulations, including a review of long-term costs and effectiveness;

6. The impact of implementation and expansion of selected programs that were added to address unmet needs, including the impact on costs and effectiveness of new programs;
7. Needed changes to address noncompliance and a timeline for completing changes; and
8. Data on the number of individuals that would be impacted by voluntary compliance efforts, and data on the type of services that may need changing, including housing, peer counseling, outpatient treatment, crisis line access, and transportation services.

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

SECTION 34. AMENDMENT. Subsection 1 of section 23-09.3-01.1 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 35. AMENDMENT. Subsection 1 of section 23-16-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding sections 23-16-06 and 23-16-10, except when a facility reverts basic care beds to nursing facility beds or relicenses nursing facility beds delicensed after July 31, 2011, nursing facility beds may not be added to the state's licensed bed capacity during the period between August 1, ~~2015~~2017, and July 31, ~~2017~~2019. A nursing facility may not delicense nursing facility bed capacity, relicense nursing facility bed capacity, convert licensed nursing bed capacity to basic care bed capacity, revert licensed basic care bed capacity back to nursing facility bed capacity, or otherwise reconfigure licensed nursing facility bed capacity more than one time in a twelve-month period."

Page 7, remove lines 26 through 31

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 19

Page 9, line 20, after the second comma insert "12,"

Page 9, line 20, replace "15" with "19"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
DHS - Management				
Total all funds	\$115,618,352	\$183,107,141	\$5,858,831	\$188,965,972
Less estimated income	71,324,758	128,092,518	2,270,792	130,363,310
General fund	\$44,293,594	\$55,014,623	\$3,588,039	\$58,602,662
DHS - Program/Policy				
Total all funds	\$3,008,000,589	\$3,003,441,602	(\$393,657,563)	\$2,609,784,039
Less estimated income	1,995,024,801	1,904,175,061	(354,582,070)	1,549,592,991
General fund	\$1,012,975,788	\$1,099,266,541	(\$39,075,493)	\$1,060,191,048
DHS - Field Services				
Total all funds	\$338,475,941	\$335,651,282	\$2,201,023	\$337,852,305
Less estimated income	132,820,302	138,122,012	992,239	139,114,251
General fund	\$205,655,639	\$197,529,270	\$1,208,784	\$198,738,054
Bill total				
Total all funds	\$3,462,094,882	\$3,522,200,025	(\$385,597,709)	\$3,136,602,316
Less estimated income	2,199,169,861	2,170,389,591	(351,319,039)	1,819,070,552
General fund	\$1,262,925,021	\$1,351,810,434	(\$34,278,670)	\$1,317,531,764

House Bill No. 1012 - DHS - Management - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$28,049,386	\$23,437,315	\$4,756,213	\$28,193,528
Operating expenses	87,542,966	159,465,826	1,102,618	160,568,444
Capital assets	26,000			
Grants		204,000		204,000
Total all funds	\$115,618,352	\$183,107,141	\$5,858,831	\$188,965,972
Less estimated income	71,324,758	128,092,518	2,270,792	130,363,310
General fund	\$44,293,594	\$55,014,623	\$3,588,039	\$58,602,662
FTE	147.10	122.45	28.00	150.45

Department No. 326 - DHS - Management - Detail of Senate Changes

	Management ¹	Total Senate Changes
Salaries and wages	\$4,756,213	\$4,756,213
Operating expenses	1,102,618	1,102,618
Capital assets		
Grants		
Total all funds	\$5,858,831	\$5,858,831
Less estimated income	2,270,792	2,270,792
General fund	\$3,588,039	\$3,588,039
FTE	28.00	28.00

1

Management - Senate Changes:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Ongoing Funding Changes				
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(\$26,664)	(\$12,933)	(\$39,597)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service		84,610	43,811	128,421
Adds funding for staff overtime		234,364	112,189	346,553
Adds funding for departmentwide operating expenses		1,102,618	0	1,102,618
Restores departmentwide FTE positions	28.00	2,193,111	2,127,725	4,320,836
Total changes - Management	28.00	\$3,588,039	\$2,270,792	\$5,858,831

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$58,102,898	\$60,987,433	\$733,595	\$61,721,028
Operating expenses	107,383,843	124,591,049	332,892	124,923,941
Capital assets		10,000		10,000
Grants	457,953,280	463,874,768	1,185,000	465,059,768
Grants - Medical assistance	2,384,560,568	2,353,978,352	(395,909,050)	1,958,069,302
Total all funds	\$3,008,000,589	\$3,003,441,602	(\$393,657,563)	\$2,609,784,039
Less estimated income	1,995,024,801	1,904,175,061	(354,582,070)	1,549,592,991
General fund	\$1,012,975,788	\$1,099,266,541	(\$39,075,493)	\$1,060,191,048
FTE	348.50	358.50	1.00	359.50

Department No. 328 - DHS - Program/Policy - Detail of Senate Changes

	Program and Policy ¹	Total Senate Changes
Salaries and wages	\$733,595	\$733,595
Operating expenses	332,892	332,892
Capital assets		
Grants	1,185,000	1,185,000
Grants - Medical assistance	(395,909,050)	(395,909,050)
Total all funds	(\$393,657,563)	(\$393,657,563)
Less estimated income	(354,582,070)	(354,582,070)
General fund	(\$39,075,493)	(\$39,075,493)
FTE	1.00	1.00

1

Program and Policy - Senate Changes:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Ongoing Funding Changes				
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(\$43,940)	(\$32,239)	(\$76,179)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state service		169,458	340,113	509,571
Adds funding for staff overtime		37,447	66,675	104,122
Economic Assistance				
Moves funding added by the House for alternatives to abortion services from children and family services		0	100,000	100,000
Medical Services				
Adds funding from the tobacco prevention and control trust fund to replace general fund support of health services		(21,000,000)	21,000,000	0
Adds funding of \$704,159 from the tobacco prevention and control trust fund and related federal funds for opioid treatment		0	1,408,318	1,408,318
Adds funding for physical, occupational, and speech therapy service provider rate increases to 75 percent		56,485	56,485	112,970
Removes funding for Medicaid Expansion		(30,145,910)	(387,115,384)	(417,261,294)
Long-Term Care				
Adjusts funding for nursing home incentives		1,152,003	1,152,003	2,304,006
Adds funding for the Fair Labor Standards Act - Home Care Rule funding for qualified service providers		2,871,613	1,937,248	4,808,861
Children and Family Services				
Moves funding added by the House for alternatives to abortion services from children and family services		0	(100,000)	(100,000)
Behavioral Health Division				
Restores funding for Parent's LEAD program		231,000	0	231,000
Adds funding for the substance use disorder voucher program to provide a total of \$1.5 million		1,125,000	0	1,125,000
Adds funding from the tobacco prevention and control trust fund for tobacco prevention related activities		0	75,000	75,000
Developmental Disabilities				
Adds funding for rate adjustments		6,109,044	6,109,045	12,218,089
Adds funding for specialized services for individuals with developmental disability	1.00	250,307	260,666	510,973
Adds federal funding for the Experienced Parent program to provide a total of \$260,000		0	160,000	160,000
Adds funding for corporate guardianship services for individuals with		112,000	0	112,000

developmental disabilities
Total changes - Program and policy

1.00	(\$39,075,493)	(\$354,582,070)	(\$393,657,563)
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House Bill No. 1012 - DHS - Field Services - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Human service centers	\$198,888,443	\$195,804,854	\$1,292,002	\$197,096,856
Institutions	139,587,498	139,846,428	909,021	140,755,449
Total all funds	\$338,475,941	\$335,651,282	\$2,201,023	\$337,852,305
Less estimated income	132,820,302	138,122,012	992,239	139,114,251
General fund	\$205,655,639	\$197,529,270	\$1,208,784	\$198,738,054
FTE	1715.48	1655.28	0.00	1655.28

Department No. 349 - DHS - Field Services - Detail of Senate Changes

	Field Services ¹	Total Senate Changes
Human service centers	\$1,292,002	\$1,292,002
Institutions	909,021	909,021
Total all funds	\$2,201,023	\$2,201,023
Less estimated income	992,239	992,239
General fund	\$1,208,784	\$1,208,784
FTE	0.00	0.00

¹

Field Services - Senate Changes:

2017-19 Ongoing Funding Changes

	FTE Positions	General Fund	Other Funds	Total
Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month		(\$317,019)	(\$29,197)	(\$346,216)
Adds funding for paying employees' accumulated annual and sick leave for eligible employees leaving state services		714,757	450,890	1,165,647
Adds funding for staff overtime		811,046	570,546	1,381,592
Total changes - Field services	0.00	\$1,208,784	\$992,239	\$2,201,023

This amendment also:

- Adds a section providing that funding of \$1,832,267, of which \$1,082,857 is from the general fund included in the department's budget is for compliance with state and federal laws and regulations relating to staff overtime. Any funds not needed for this purpose must be included in the department's unspent appropriation authority (turnback) at the end of the 2017-19 biennium.
- Adds a section to allow the department discretion to allocate the 28 full-time equivalent positions restored by the Senate to appropriate department divisions.
- Adds a section to provide a \$200,000 general fund appropriation as an emergency measure for the substance use disorder voucher program for the 2015-17 biennium.
- Adds a section to provide a \$174,748 appropriation, of which \$87,374 is from the general fund, as an emergency measure for long-term care incentives beginning June 1, 2017.
- Adds a section identifying \$75,000 from the tobacco prevention and control trust fund for compliance with youth access to tobacco reporting requirements under Title 45, Code of Federal Regulations, Part 96, Section 130, for the 2017-19 biennium. In addition, the section requires the State Department of Health and the local public health units to collect and disclose all required data reporting elements to the Department of Human Services.
- Adds a section of legislative intent for the Department of Human Services to establish requisite agreements with tribal health care organizations that will result in 100 percent federal funding for eligible medical assistance provided to American Indians through care coordination agreements for the biennium beginning July 1, 2017, and ending July 30, 2019.
- Adds a section of legislative intent to provide for the Department of Human Services to analyze its budgetary needs and allocate \$1,102,618 of operating expenses added by the Senate based on the department's priorities from its analysis.
- Adds a section to provide legislative intent relating to residential care and services for the developmentally disabled to allow the department to grant a variance of the rules to a treatment or care center for a good cause.
- Adds a section to allow the Department of Human Services to involve other providers for substance use disorder treatment services if the current contractor is unable to provide services anticipated under the current contract for the 2017-19 biennium.
- Adds a section of legislative intent providing that behavioral health service providers that receive funding from the Department of Human Services submit process and outcome measures for the programs and services receiving state funding.

11. Adds a section of legislative intent providing that a vendor for telephone and directory services under contract with the Department of Human Services include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers.
12. Amends section 13 of House Bill No. 1012 relating to brain injury to provide legislative intent that the Department of Human Services include services for individuals with a brain injury as part of the comprehensive assessment for a Medicaid 1915(i) state plan amendment. This section also allows the department to utilize existing funding available in the department's budget for enhancing services through a Medicaid 1915(i) state plan amendment for individuals with a brain injury.
13. Provides for the department to study options to operate the state medical assistance program and other related programs, as managed care.
14. Adds a section of legislative intent providing for prioritization of basic care provider rates.
15. Adds sections to continue the moratoriums on basic care and nursing facility bed capacity.
16. Adds a section to provide for a Legislative Management study relating to home- and community-based services.
17. Adds a section to provide for a Legislative Management study relating to land owned by the State Hospital.
18. Adds a section to provide for a Legislative Management study relating to behavioral health and developmental disabilities services.

REQUEST

SEN. O. LARSEN REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, the roll was called and there were 4 YEAS, 43 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Kannianen; Larsen, O.; Myrdal

NAYS: Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

The proposed amendments to Engrossed HB 1012, as amended, failed on a recorded roll call vote.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Anderson; Casper; Larsen, O.

Engrossed HB 1012, as amended, passed and the emergency clause was declared carried.

POINT OF PERSONAL PRIVILEGE

SEN. DEVER rose on a point of personal privilege.

REMARKS OF SENATOR DEVER

MR. PRESIDENT: I don't have anything to say about the bill, but a couple of things I would like to say about the carrier. On the announcement of his retirement, at the end of this term, this is the last time he is carrying this bill. Last of many times.

He told me his family is watching from all around the country. So I would like to convey to he, and it to they, the deep respect that I and I know others have for him.

In his career as an orthopedic surgeon I know he exercised compassionate care and I heard many stories of it. A few years ago, he and I attended a press conference down at the Bone and Joint Center, of which he was one of the founders. He commented that in his retirement he went there for an appointment and one of the receptionists asked him, "Have you been here before?". He said, "Apparently they don't look at the pictures on the wall." He has carried that compassion and his passion for service to others into his service in the Senatam, initially some sessions on the Human Services Committee and now for quite a number of sessions on the Appropriations Committee. Particularly dealing on the sub-committee with the Human Service budget and carrying that forward.

Alongside him, all of that time, Mrs. Senator from District 47 has been there next to him. My life has been made richer by having them in my acquaintance and I very strongly value their friendship.

Mr. President, I was going to ask a question of the carrier, and I knew he knew the answer, because I had heard him ask the question. The question was, "Are Grandpa and Grandma taken care of in this bill?" Mr. President, he doesn't need to answer that because it was important enough to him that he mentioned it when he carried the bill.

I would like to thank him for being a part of my life.

MOTION

SEN. KLEIN MOVED that the remarks of Sen. Dever be printed in the Journal, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1005, as engrossed: SEN. DEVER (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1005: A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact subdivision b of subsection 2 of section 57-62-02 of the North Dakota Century Code, relating to coal severance tax allocations.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Casper; Larsen, O.

Engrossed HB 1005, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1361, as engrossed: SEN. COOK (Finance and Taxation Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1361: A BILL for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code, relating to voter imposed limitations on the amount of property tax levied by taxing districts; to amend and reenact section 57-20-04 of the North

Dakota Century Code, relating to the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts; to provide for a report to the legislative management; and to provide an effective date.

REQUEST

SEN. LAFFEN REQUESTED that the Senate divide Engrossed HB 1361, as amended, which request was granted.

DIVISION A: Sections 1 and 4

DIVISION B: Sections 2 and 3

ROLL CALL

The question being on the final adoption of Division A of Engrossed HB 1361, as amended, the roll was called and there were 5 YEAS, 42 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Armstrong; Cook; Kilzer; Larsen, O.; Unruh

NAYS: Anderson; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner

Division A of Engrossed HB 1361, as amended, failed on a recorded roll call vote.

ROLL CALL

The question being on the final adoption of Division B of Engrossed HB 1361, as amended, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Marcellais; Mathern

Division B of Engrossed HB 1361, as amended, was adopted on a recorded roll call vote.

ROLL CALL

The question being on the final passage of the amended bill, which consists of Division B only, which has been read, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Marcellais; Mathern; Robinson

Engrossed HB 1361, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1178, as engrossed: SEN. BEKKEDAH (Finance and Taxation Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO**

PASS, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1178: A BILL for an Act to create and enact a new section to chapter 37-17.3 of the North Dakota Century Code, relating to the creation of a statewide interoperable radio network fund, to amend and reenact subsection 1 of section 37-17.3-02.2, subsection 4 of section 54-59-05, section 57-40.6-02 and subsection 1 of section 57-40.6-14 of the North Dakota Century Code, relating to the statewide interoperability executive committee, the powers and duties of the information technology department, the assessed communications service fee, and the prepaid wireless emergency 911 fee; to authorize borrowing authority; to provide an appropriation; to provide statements of legislative intent; to provide for a budget section report; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 31 YEAS, 16 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Burckhard; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Osland; Piepkorn; Poolman; Robinson; Wanzek; Wardner

NAYS: Bowman; Campbell; Casper; Clemens; Cook; Hogue; Kannianen; Larsen, O.; Luick; Oehlke; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa

Engrossed HB 1178, as amended, passed.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1023, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1023: Sens. Krebsbach, Oehlke, Robinson

MOTION

SEN. KLEIN MOVED that Sen. Wardner replace Sen. Dever on the Conference Committee on SB 2013, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. O. LARSEN MOVED that the conference committee report on Reengrossed HB 1085 as printed on SJ page 1360 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. J. LEE MOVED that the conference committee report on Engrossed HB 1365 as printed on SJ page 1360 be adopted, which motion prevailed on a voice vote.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1005.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1178.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1361.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2206.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2206

In lieu of the amendments as printed on pages 1231 and 1232 of the House Journal, Engrossed Senate Bill No. 2206 is amended as follows:

Page 1, line 1, remove "and a new section to chapter 57-20"

Page 1, line 3, remove "and a credit against payments in lieu of taxes paid by"

Page 1, line 4, remove "centrally assessed companies"

Page 1, line 5, after the first comma insert "50-06-20.1, and"

Page 1, line 5, replace "sections 57-15-06 and" with "section"

Page 1, line 7, after the comma insert "the human service grant program,"

Page 1, line 8, after the semicolon insert "to suspend chapter 50-03 and sections 50-06-20.1 and 50-06.2-05 of the North Dakota Century Code, relating to county human services funds, the human services grant program, and county human services levy authority;"

Page 1, line 8, remove "chapter 50-03 and sections 50-06-20.1,"

Page 1, line 9, replace "50-06.2-05, and" with "section"

Page 1, line 9, remove "county human"

Page 1, remove line 10

Page 1, line 11, remove "services, and the"

Page 1, line 11, replace the second "and" with "to provide for a report to the legislative management; to provide an appropriation;"

Page 1, line 11, after "date" insert "; and to provide an expiration date"

Page 3, after line 26, insert:

"SECTION 2. AMENDMENT. Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

11-23-01. Officers required to furnish commissioners with departmental budget.

1. Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance, operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.
2. a. The departmental budget submitted by the county social service board in ~~2015~~2019 for the ~~2016~~2020 budget may not exceed an amount determined using the departmental budget submitted in ~~2014~~2016 by the county social service board as a starting point, subtracting the reduction in the county's social service funding responsibility for ~~2014~~2016 derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services, and

applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year ~~2015~~2019. For purposes of this subdivision, the reduction in the county's social service funding responsibility derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services includes the following:

- (1) Foster care and subsidized adoption costs that would have been paid by the county after December 31, 2015;
- (2) The county's share of grant costs for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services which would have been paid by the county after December 31, 2015;
- (3) The county's share of the costs for service payments to the elderly and disabled which would have been paid by the county after December 15, 2015;
- (4) The county's share of salary and benefits for family preservation services pursuant to section 50-06-05.8 which would have been paid by the county after December 31, 2015;
- (5) The county's share of the cost of the electronic benefits transfers for the supplemental nutrition assistance program which would have been paid by the county after December 31, 2015; and
- (6) The computer processing costs which would have been paid by the county after December 31, 2015, which exceed the county's costs of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers (all items, United States city average) after January 1, 1996.

- b. ~~The departmental budget submitted by the county social service board in 2016 for the 2017 budget may not exceed an amount determined using the 2015 departmental budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016.~~
- c. ~~The budget must include a statement identifying the total savings to the county as shown by a reduction in the amounts that otherwise would have been paid by the county to the department of human services for the costs identified in subdivision a. The department of human services shall determine the appropriate amount of what each county's costs would have been to help identify each county's total savings.~~

The county share of the human service budget must be funded entirely from the county's property tax levy for that purpose and the county may not use funds from any other source to supplement the human services budget, with the exception that the county may make use of the identifiable amount of other sources the county has used to supplement its human services budget for 2015 and the county may use grant funds that may be available to the county under section 50-06-20.1.

- d.c. The department of human services shall develop a process to review a request from a county social service board for any proposed increase in staff needed as a result of significantly increased caseloads for state-funded human services programs, if the increase in staff would result in the county exceeding the budget limitation

established under this subsection. As part of its review process, the department shall review countywide caseload information and consider the option of multicounty sharing of staff. If the department approves a request for a proposed increase in staff, the county budget limitation established under subdivision b may be increased by the amount determined necessary by the department to fund the approved additional staff."

Page 5, after line 28, insert:

"SECTION 5. AMENDMENT. Section 50-06-05.8 of the North Dakota Century Code is amended and reenacted as follows:

50-06-05.8. Department to assume certain costs of certain social service programs.

Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in addition to the programs identified in section 50-06-20, the department of human services shall pay the local expenses of administration incurred by a county after December 31, ~~2015~~2019, for family preservation programs; a county's share of the cost of the electronic benefits transfers for the supplemental nutrition assistance program incurred after December 31, ~~2015~~2019; and the computer processing costs incurred by the county after December 31, ~~2015~~2019, which exceed the county's costs of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers (all items, United States city average) after January 1, 1996.

SECTION 6. AMENDMENT. Section 50-06-20.1 of the North Dakota Century Code is amended and reenacted as follows:

50-06-20.1. Human services grant program - Eligible counties - Reports.

1. ~~If the authority for counties to use emergency expenditures to address an emergency created by unusual and unanticipated demands on the counties' human services fund under chapter 50-03 is eliminated, the~~The department shall ~~establish~~administer a grant program to assist certain counties. An eligible county is one that historically has utilized the emergency expenditures process set forth in chapter 50-03 and which is adjacent to or part of an Indian reservation in this state, which contains Indian trust lands within the service area of a federally recognized Indian tribe which are occupied by enrolled members of that tribe, or which includes the state hospital created pursuant to subsection 8 of section 12 of article IX of the Constitution of North Dakota.
2. The grant program established in this section must be implemented through rulemaking under chapter 28-32. ~~The department may adopt emergency rules, without application of the grounds for emergency rulemaking otherwise required under section 28-32-03, to set out the policies and procedures for the disbursement of grants and may not~~ award more than one million nine hundred thousand dollars during the first year of a biennium, and no more than two million dollars during the second year of a biennium. The department shall notify a county of its approved funding no later than September first of each year of the biennium. The department shall issue an annual payment to counties receiving funds under this chapter in January of each year of the biennium.
3. The department shall report to the budget section annually and to the appropriations committees of the ~~sixty-fifth~~sixty-seventh legislative assembly and each succeeding legislative assembly on the funding approved under this section."

Page 7, line 6, after "**50-34-01.**" insert "**State-paid economic assistance and social service pilot program - Application - Report.**"

1. The department of human services shall administer a statewide pilot program for state funding of staffing and administrative costs related to the administration of economic assistance and social service programs.
2. Payments must be distributed to service areas pursuant to the formula in section 50-34-05 with the first formula payment distributions commencing in January 2018.
3. Services areas shall cooperate with the department of human service to adopt administrative and operational cost savings methodologies and determine options for consolidations.
4. The director shall appoint a committee to study the operation of the pilot program and develop a plan for the permanent implementation of the formula established in section 50-34-05.
5. Before November 1, 2018, the department of human services shall report to the legislative management on the status of the pilot program and the development of a plan for permanent implementation of the formula established in section 50-34-05. The implementation plan must include recommendations for caseloads and outcomes for social services, designated child welfare services, and economic assistance; considerations regarding the delivery of county social services to ensure appropriate and adequate levels of service continue; options for efficiencies and aggregation; analysis of the potential reduction in social service offices, organizations, and staff due to consolidations; the timeline for transitioning county social service staff to the department of human services; and considerations for oversight and chain of command within social services and human services. The implementation plan must be submitted to the sixty-sixth legislative assembly as part of the department of human services budget request and identify the estimated biennial cost of the plan.

50-34-02. "

Page 7, line 15, remove "Economic assistance adjusted base year gross expenditures" means an amount"

Page 7, remove lines 16 and 17

Page 7, line 18, remove "5."

Page 7, remove lines 20 through 22

Page 7, line 23, replace "50-34-02" with "50-34-03"

Page 7, line 25, replace "50-34-07" with "50-34-05"

Page 7, line 27, replace ". Beginning" with ". and for calendar year 2019 on or before"

Page 7, line 28, remove ". and on or before June first of each year thereafter, the director shall"

Page 7, line 29, remove "notify each service area of its formula payment for the subsequent calendar year"

Page 8, line 5, replace "50-34-07" with "50-34-05"

Page 8, line 21, replace "50-34-08" with "50-34-06"

Page 8, remove lines 22 through 30

Page 9, remove lines 1 through 28

Page 10, line 10, remove "a."

Page 10, line 13, remove "adjusted"

Page 10, remove lines 14 through 18

Page 10, line 22, remove "a."

Page 10, line 25, remove "adjusted"

Page 10, remove lines 26 through 30

Page 11, remove lines 1 through 31

Page 12, remove lines 1 through 3

Page 12, line 4, replace "50-34-07" with "50-34-05"

Page 12, line 7, remove "weighted"

Page 12, line 10, remove "weighted"

Page 12, line 13, remove "as follows:"

Page 12, line 14, replace "a. For calendar year 2018 formula payment calculations, the" with "to ensure the service area's"

Page 12, line 14, remove "must"

Page 12, line 15, replace "be" with "is"

Page 12, line 15, remove "two"

Page 12, line 15, replace "ten" with "five"

Page 12, line 16, remove "adjusted"

Page 12, line 17, remove "adjusted"

Page 12, remove lines 18 through 31

Page 13, remove lines 1 through 30

Page 14, remove lines 1 through 6

Page 14, line 7, replace "50-34-08" with "50-34-06"

Page 14, line 18, replace "50-34-09" with "50-34-07"

Page 14, line 20, replace "50-34-08" with "50-34-06"

Page 14, line 21, replace "50-34-08" with "50-34-06"

Page 14, line 26, remove "and on January first of each year thereafter."

Page 14, line 27, replace "50-34-08" with "50-34-06"

Page 14, line 28, replace "50-34-02" with "50-34-03"

Page 15, remove lines 1 through 30

Page 16, remove lines 1 through 11

Page 16, line 12, replace "50-34-11" with "50-34-08"

Page 17, remove lines 18 through 31

Page 18, replace lines 1 through 12 with:

"SECTION 10. AMENDMENT. Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
 - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. ~~If the base year is a taxable year before 2013, reduced~~Reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
 - (1) ~~The~~the base year mill rate of the school district minus sixty mills; or
 - (2) ~~Fifty~~fifty mills, if the base year is a taxable year before 2013.
 - e. ~~If~~Reduced by the base year human services county levy in dollars if the base year is a taxable year ~~before 2016~~after 2018, the base year human services county levy in dollars must be reduced to the amount of the county social service board budget levy for the budget year as determined under section 11-23-01."

Page 21, line 18, remove "sum of the following:"

Page 21, line 19, remove "(a) The"

Page 21, line 20, replace "50-34-02" with "50-34-03"

Page 21, line 21, remove ";and"

Page 21, remove lines 22 through 30

Page 22, replace lines 1 thorough 17 with:

"SECTION 13. AMENDMENT. Subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

- c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item

that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by the taxpayer under chapter 15.1-27 ~~and under~~ section 57-20-07.2 for taxable years before 2018, and chapter 50-34 for taxable years 2018 and 2019. For purposes of this subdivision, legislative tax relief under chapter 15.1-27 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:

- (1) Fifty mills; or
- (2) The 2012 taxable year mill rate of the school district minus sixty mills.

SECTION 14. SUSPENSION. Chapter 50-03 and section 50-06-20.1 of the North Dakota Century Code are suspended.

SECTION 15. SUSPENSION. Section 50-06.2-05 of the North Dakota Century Code is suspended."

Page 22, after line 18, insert:

"SECTION 17. FUNDING FOR STATE-PAID ECONOMIC ASSISTANCE AND SOCIAL SERVICES PILOT PROGRAM - APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. A total of \$161,000,000 from the general fund is available to the department of human services for the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$135,000,000 or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019.
2. The department of human services shall also use \$26,000,000 from the department of human services' general fund appropriation in House Bill No. 1012, as approved by the sixty-fifth legislative assembly, for the purpose of defraying the expenses of the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 22, line 19, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 22, line 19, remove "Sections 6, 7, 8, 9, 10, and 13 of this Act are effective for"

Page 22, remove lines 20 and 21

Page 22, replace "beginning after December 31, 2017" with "Sections 9, 11, 12, and 15 of this Act are effective for the first two taxable years beginning after December 31, 2016, and are thereafter ineffective. Section 16 of this Act is effective for taxable years beginning after December 31, 2016. Sections 1, 3, 8, and 14 of this Act are effective August 1, 2017, through July 31, 2019, and are thereafter ineffective. Sections 4 and 7 of this Act are effective August 1, 2017, through December 31, 2019, and are thereafter ineffective. Sections 10 and 13 of this Act are effective for taxable years beginning after December 31, 2018. Sections 2 and 6 of this Act become effective on August 1, 2019. Section 5 of this Act becomes effective on January 1, 2020"

Renumber accordingly

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2263.

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

MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2139: Reps. Bosch; Heinert; Roers Jones

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1233.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1040, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1040: Reps. Weisz; B. Anderson; P. Anderson

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

MR. SPEAKER: The Senate has appointed as a conference committee to act with a like committee from the House on:

HB 1023: Sens. Krebsbach; Oehlke; Robinson

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

MR. SPEAKER: The President has appointed Sen. Wardner to replace Sen. Dever on the Conference Committee on SB 2013.

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

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1085, HB 1365.

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

MR. PRESIDENT: The House has adopted the conference committee report on: SB 2039, SB 2041.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2033.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently failed to pass: SB 2247.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2161, SB 2253, SB 2264, SB 2316.

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

MR. PRESIDENT: The Speaker has signed: SB 2161, SB 2253, SB 2264, SB 2316.

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

MR. PRESIDENT: The Speaker has signed: HB 1045, HB 1390.

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

MR. PRESIDENT: The Speaker has signed: HB 1204, HB 1216, HB 1334, HB 1339.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 12, 2017, I have signed the following: SB 2005, SB 2007, SB 2008, SB 2017, and SB 2311.

MOTION

SEN. KLEIN MOVED that the absent member be excused, which motion prevailed.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 13, 2017, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2011, as engrossed: Your conference committee (Sens. Krebsbach, Wanzek, Grabinger and Reps. Nathe, Boehning, Brabandt) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1201-1203, adopt amendments as follows, and place SB 2011 on the Seventh order:

That the House recede from its amendments as printed on pages 1201-1203 of the Senate Journal and pages 1329-1331 of the House Journal and that Engrossed Senate Bill No. 2011 be amended as follows:

Page 1, line 1, after "patrol" insert "; to create and enact a new section to chapter 39-03 of the North Dakota Century Code, relating to capitol building access cards; to amend and reenact subdivision j of subsection 3 of section 39-12-02 of the North Dakota Century Code, relating to fees for electronic permits"

Page 1, replace lines 13 through 17 with:

"Field operations	52,348,835	5,239,871	57,588,706
Total all funds	\$55,899,236	\$1,689,470	\$57,588,706
Less estimated income	12,955,491	2,105,787	15,061,278
Total general fund	\$42,943,745	(\$416,317)	\$42,527,428
Full-time equivalent positions	215.00	(11.00)	204.00

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

Page 2, line 13, replace "\$6,916,962" with "\$6,912,904"

Page 2, after line 17, insert:

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

Page 2, after line 29, insert:

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

Capitol building access card fund - Continuing appropriation.

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

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

- j. The highway patrol may establish an online electronic permit system. If the highway patrol establishes an online electronic permit system, the highway patrol shall assess an additional fee of up to fifteen dollar feedollars for every permit issued under this section to be deposited into the motor carrier electronic permit transaction fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2011 - Highway Patrol - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Administration	\$3,550,401					
Field operations	52,348,835	57,524,884	63,822	57,588,706	57,488,706	100,000
Total all funds	\$55,899,236	\$57,524,884	\$63,822	\$57,588,706	\$57,488,706	\$100,000
Less estimated income	12,955,491	13,699,780	1,361,498	15,061,278	14,961,278	100,000
General fund	\$42,943,745	\$43,825,104	(\$1,297,676)	\$42,527,428	\$42,527,428	\$0
FTE	215.00	206.00	(2.00)	204.00	204.00	0.00

Department No. 504 - Highway Patrol - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Funding for Positions ²	Removes Unfunded FTE Positions ³	Adjusts Funding Sources ⁴	Total Conference Committee Changes
Administration					
Field operations	(41,679)	5,501		100,000	63,822
Total all funds	(\$41,679)	\$5,501	\$0	\$100,000	\$63,822
Less estimated income	(8,355)	688	0	1,369,165	1,361,498
General fund	(\$33,324)	\$4,813	\$0	(\$1,269,165)	(\$1,297,676)
FTE	0.00	0.00	(2.00)	0.00	(2.00)

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

² Adjustments are made to transfer funding from 1 FTE trooper position to fill 2 unfunded Capitol security positions. Funding of \$5,501 is also added to provide total funding of \$231,008 for the security positions. The House also made these adjustments.

³ Authorization for 2 unfunded FTE trooper positions is removed. The House also removed authorization for the positions.

⁴ The funding source for permit section staff and related expenses of \$1,269,165 is transferred from the general fund to the motor carrier electronic permit transaction fund, the same as the House version. An additional \$100,000 is appropriated from the motor carrier electronic permit transaction fund for nonenforcement motor carrier activities.

This amendment also:

- Adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases. The House also added this section.
- Adjusts the amount of funding provided from the highway tax distribution fund from \$6,916,962 to \$6,912,904, the same as the House version.
- Adds a section to provide that \$1,369,165 of the Highway Patrol's special fund appropriation is from the motor carrier electronic permit fund. The conference committee version provides that a portion of the funds may be used for

nonenforcement and administrative motor carrier activities.

- Adds a section to authorize the Highway Patrol to charge nonstate employees \$10 for a Capitol building access card. The section provides for the fees to be deposited in a Capitol building access card fund. Any money deposited in the fund is appropriated to the Highway Patrol for Capitol building security needs. The House also added this section.
- Amends North Dakota Century Code Section 39-12-02 to require the Highway Patrol to charge up to \$15 for issuing an electronic permit. The section currently requires a \$15 fee to be charged for each permit. The House also added this section.

Engrossed SB 2011 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Klein's motion.

Shanda Morgan, Secretary

