

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 27, 2017

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

The prayer was offered by Senator Rust, District 2.

The roll was called and all members were present.

A quorum was declared by the President.

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 1015, and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

HB 1015: Reps. Delzer; Carlson; Mock

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2018.

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

MR. PRESIDENT: The House has overridden the Governor's veto on HB 1019. The vote was 80 YEAS, 8 NAYS, 6 ABSENT AND NOT VOTING, and your favorable consideration is requested.

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

MR. PRESIDENT: The House has sustained the Governor's veto on HB 1201. The vote was 49 YEAS, 39 NAYS, 6 ABSENT AND NOT VOTING.

MOTION

SEN. KLEIN MOVED that enrolled HB 1004 be placed on the Fourteenth order of business on the calendar for the purpose of overriding the Governor's veto pursuant to Article V, Section 9, of the Constitution of North Dakota, which motion prevailed.

CONSIDERATION OF VETOED MEASURE

HB 1004: AN ACT to provide an appropriation for defraying the expenses of the state auditor.

ROLL CALL

The question being on the final passage of the enrolled bill, over the Governor's veto, which has been read, the roll was called and there were 6 YEAS, 41 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Armstrong; Casper; Larson, D.; Poolman; Sorvaag; Unruh

NAYS: Anderson; Bekkedahl; Bowman; Burckhard; Campbell; 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; Robinson; Roers; Rust; Schaible; Vedaa; Wanzek; Wardner

The Senate sustained the Governor's veto of HB 1004, as enrolled.

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 Reengrossed HB 1015, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Reengrossed HB 1015: Sens. Holmberg, Wardner, Heckaman

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KILZER MOVED that the conference committee report on Engrossed HB 1012 as printed on SJ pages 1757-1768 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide appropriations for defraying the expenses of the department of human services; to authorize the department of human services to convey land in Walsh County; to amend and reenact subsection 1 of section 23-09.3-01.1, subsection 1 of section 23-16-01.1, section 50-24.1-37, and subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the moratorium on basic care, nursing facility bed capacity, Medicaid expansion, and tobacco settlement trust fund transfers; to repeal section 50-24.1-37 of the North Dakota Century Code, relating to the Medicaid expansion program; to provide for exemptions; to provide statements of legislative intent; to provide for reports to the legislative management; to provide for legislative management studies; to authorize transfers; to provide an expiration date; to provide a contingent effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, 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; 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; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Casper; Kannianen; Larsen, O.

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

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 1015: Sens. Holmberg; Wardner; Heckaman

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003.

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

MR. SPEAKER: The Senate has adopted the conference committee report, 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 adopted the conference committee report and subsequently passed: HB 1001.

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

MR. SPEAKER: The President has signed: HB 1024.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 27, 2017: SB 2001, SB 2013, SB 2014, SB 2016, SB 2119.

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

MR. SPEAKER: The Senate has sustained the Governor's veto on HB 1004. The vote was 6 YEAS, 41 NAYS, 0 ABSENT AND NOT VOTING.

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Hogue, Dever, Mathern and Reps. Brandenburg, Kempenich, Brabandt) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1271-1272, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1271 and 1272 of the House Journal and pages 1028-1030 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "report" insert "; to provide a statement of legislative intent; and to provide an exemption"

Page 1, replace lines 11 through 16 with:

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

Page 1, line 18, replace "\$50,086" with "\$46,457"

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

Page 2, after line 11, insert:

"SECTION 5. LEGISLATIVE INTENT - GOVERNOR'S SALARY -

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

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1001 - Governor's Office - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,735,049	\$3,542,131	(\$119,557)	\$3,422,574	\$3,688,502	(\$265,928)
Operating expenses	343,710	298,456		298,456	298,456	
Contingencies	5,000	10,000		10,000	10,000	
Rough Rider Awards	10,800	10,800		10,800	10,800	
Governor's salary			<u>265,928</u>	<u>265,928</u>		<u>265,928</u>
	<u>\$4,094,559</u>	<u>\$3,861,387</u>	<u>\$146,371</u>	<u>\$4,007,758</u>	<u>\$4,007,758</u>	<u>\$0</u>

Total all funds						
Less estimated income	0	0	0	0	0	0
General fund	\$4,094,559	\$3,861,387	\$146,371	\$4,007,758	\$4,007,758	\$0
FTE	18.00	17.00	1.00	18.00	18.00	0.00

Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores 1 FTE Position ²	Provides Separate Line Item for Governor's Salary ³	Total Conference Committee Changes
Salaries and wages	(\$3,629)	\$150,000	(\$265,928)	(\$119,557)
Operating expenses				
Contingencies				
Rough Rider Awards				
Governor's salary			265,928	265,928
Total all funds	(\$3,629)	\$150,000	\$0	\$146,371
Less estimated income	0	0	0	0
General fund	(\$3,629)	\$150,000	\$0	\$146,371
FTE	0.00	1.00	0.00	1.00

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 the revised premium rate. The Senate also made these adjustments.

² One FTE position and related funding removed by the House is restored, the same as the Senate.

³ Funding for the salary of the Governor is transferred to a separate line item. A section is added relating to the Governor's salary designated in statute. Funding for the fringe benefits of the Governor remains in the salaries and wages line item.

Provisions included in the Senate version for the Governor to receive an annual salary of \$1 are not included in the Conference Committee version.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 11:00 a.m., which motion prevailed.

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

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 Fifty-sixth, Fifty-seventh, Seventy-first, Seventy-third, Seventy-fourth, Seventy-fifth, and Seventy-sixth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 954, line 15, after "amended" remove ","

Page 954, line 15, insert " and" after "amended"

Page 954, line 15, remove ", and the emergency clause carried:"

Page 975, after line 9 insert:

"POINT OF PERSONAL PRIVILEGE

SEN. MARCELLIS rose on a point of personal privilege.

REMARKS OF SENATOR MARCELLAIS

MR. PRESIDENT: In 2009 of the legislative session, I was a co-sponsor on a bill to recognize the special day for Vietnam Veterans. It's a time when the conflict with the Vietnam Veterans had ended in 1975. It's the day March 29, 1975 the conflict was over. Today, I would like to honor all those Veterans if they would stand up in the chamber please. We do have some Vietnam Veterans that are senators and we also have some guests. I would like to honor those veterans by readying our Proclamation signed by the governor."

Page 1570, line 18, replace "Davison" with "Dever"

Page 1612, line 15, replace "Grabinger, Wanzek, G. Lee" with "G. Lee, Wanzek, Grabinger"

Page 1618, line 8, replace "engrossed" with "reengrossed"

Page 1637, line 11, replace "Schmidt, Streyle" with "Streyle, Schmidt"

Page 1652, line 38, replace "Boe" with "Hogan"

Page 1676, line 32, replace "Delmore, Weisz" with "Weisz, Delmore"

Page 1719, line 19, replace "Streyle, Martinson" with "Martinson, Steyle"

Page 1751, line 19. replace "Oehlke" with "Krebsbach"

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

MOTION

SEN. KLEIN MOVED that enrolled HB 1019 be placed on the Fourteenth order of business on the calendar for the purpose of overriding the Governor's veto pursuant to Article V, Section 9, of the Constitution of North Dakota, which motion prevailed.

CONSIDERATION OF VETOED MEASURE

HB 1019: AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to amend and reenact sections 55-08-06 and 55-08-07.1 of the North Dakota Century Code, relating to permits for motor vehicles and parks and the recreation concession revolving fund; to provide a grant to the international peace garden; to authorize the transfer of Dakota institute inventory; to provide exemptions; to provide a statement of legislative intent; and to declare an emergency.

ROLL CALL

The question being on the final passage of the enrolled bill, over the Governor's veto, which has been read, the roll was called and there were 21 YEAS, 26 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Casper; Clemens; Cook; Dever; Erbele; Holmberg; Kannianen; Kilzer; Lee, G.; Lee, J.; Meyer; Myrdal; Osland; Poolman; Sorvaag; Unruh; Vedaa; Wardner

NAYS: Bowman; Burckhard; Campbell; Davison; Dotzenrod; Grabinger; Heckaman; Hogue; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Luick; Marcellais; Mathern; Nelson; Oban; Oehlke; Piepkorn; Robinson; Roers; Rust; Schaible; Wanzek

The Senate sustained the Governor's veto of HB 1019, as enrolled.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOGUE MOVED that the conference committee report on Engrossed HB 1001 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1001: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; to provide for a legislative management report; to provide a statement of legislative intent; and to provide an exemption.

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, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: 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; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Anderson

Engrossed HB 1001, as amended, passed.

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2035.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1001.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2018.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1001.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1012.

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

MR. PRESIDENT: The Speaker has signed: SB 2018.

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

MR. SPEAKER: The President has signed: SB 2018.

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

MR. SPEAKER: The President has signed: HB 1012.

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

MR. PRESIDENT: The Speaker has signed: HB 1012.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 27, 2017: SB 2018.

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

MR. SPEAKER: The Senate has sustained the Governor's veto on HB 1019. The vote was 21 YEAS, 26 NAYS, 0 ABSENT AND NOT VOTING.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 2:30 p.m., which motion prevailed.

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

SENATE INTERIM COMMITTEE

PRESIDENT SANFORD ANNOUNCED the following Senate Interim Committee:

Initiated Measure Study Commission

Sen. Hogue
Sen. G. Lee
Sen. Oban

SECOND READING OF HOUSE BILL

HB 1050: A BILL for an Act to amend and reenact subsection 3 of section 54-35-26 and subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to the list of economic development tax incentives subject to regular review and the application of tax credits against individual income tax liability; to repeal section 57-38-01.27 of the North Dakota Century Code, relating to the microbusiness income tax credit; 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 44 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; 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: Mathern

ABSENT AND NOT VOTING: Armstrong; Marcellais

HB 1050 passed.

MOTION

SEN. KLEIN MOVED that the Senate stand at ease until HB 1023 is received from the House, which motion prevailed.

THE SENATE RECONVENED with President Sanford presiding.

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 1023.

REPORT OF CONFERENCE COMMITTEE

HB 1023, as engrossed: Your conference committee (Sens. Krebsbach, Oehlke, Robinson and Reps. Vigesaa, Boehning, Keiser) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1579-1581, adopt amendments as follows, and place HB 1023 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1579-1581 of the House Journal and pages 1293-1296 of the Senate Journal and that Engrossed House Bill No. 1023 be amended as follows:

Page 1, line 2, remove "to provide a continuing appropriation; to limit the use of health insurance"

Page 1, line 3, remove "program reserves;"

Page 1, line 3, remove "amend and reenact subdivision j of subsection 2"

Page 1, remove lines 4 through 23

Page 1, line 24, replace "legislative intent" with "provide for solicitations of bids for the public employee health benefits coverage; to provide for a study; to create and enact sections 54-35-02.9 and 54-35-02.10 and a new subsection to section 54-52-04 of the North Dakota Century Code, relating to the public employee health care

coverage committee and the authority of the retirement board; to amend and reenact sections 54-35-02.4 and 54-52.1-08.2 of the North Dakota Century Code, relating to the employee benefits programs committee; and to provide an expiration date"

Page 2, replace lines 9 through 13 with:

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

Page 2, line 15, replace "\$102,885" with "\$95,431"

Page 2, line 16, replace "\$1,249" with "\$1,241"

Page 2, remove lines 27 through 31

Remove pages 3 through 109

Page 110, remove lines 1 through 13

Page 110, after line 20, insert:

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

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

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

1. During the 2017-18 interim, the public employee health care coverage committee shall study, review, and make recommendations regarding the terms of the retirement board's requests for proposals for hospital, medical, and prescription drug benefits coverage for active employees for

the 2019-21 biennium as required under section 6 of this Act. In making recommendations, the committee shall consider the interests of the state and its eligible employees, including flexibility of plan design, employee out-of-pocket costs, and premium.

2. Before July 1, 2018, and then again before the end of the interim, the committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management, and the legislative management shall report the findings and recommendations to the retirement board, the public employees retirement system, and the sixty-sixth legislative assembly.

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

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

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

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

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

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

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

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

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

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

legislative assembly, a copy of the related committee report must be appended to the copy of that measure referred to a standing committee.

3. To carry out the committee's responsibilities, the committee may:
 - a. Through the legislative management, enter a contract with an actuary or actuarial firm or other expert for expert assistance and consultation. The committee shall notify the public employees retirement system of a contract entered under this subsection and, without need for a prior appropriation, the public employees retirement system shall pay the cost of the third-party assistance provided under the contract.
 - b. Direct the public employees retirement system to provide the committee with an actuarial report or other analysis. Without the need for a prior appropriation, the public employees retirement system shall pay the cost of the report or analysis.
 - c. Call on personnel from state agencies or political subdivisions to furnish the information and render the assistance the committee may from time to time request.
 - d. Establish rules for operation of the committee, including the submission and review of legislative proposals and the establishing of standards for actuarial review.
4. During a legislative session, if a standing committee takes action on a legislative measure sponsored by a legislator or recommends an amendment to a legislative measure which would affect the health care coverage, the standing committee shall consider the impact, actuarially or otherwise, of the amendment or measure and may request the public employees retirement system provide an actuarial report or other analysis of the impact of the measure or amendments. If the public employees retirement system provides an analysis or other report under this subsection, the public employees retirement system may pay for the analysis or other report in the same manner as provided under subdivision b of subsection 3.
5. Upon receipt of findings and recommendations of the committee, the legislative management may make recommendations to the retirement board and the public employees retirement system.
6. This section does not require the retirement board or the public employees retirement system to disclose to the committee confidential or exempt information or records. However, upon request of the committee, the retirement board or public employees retirement system shall provide the committee with aggregate information as appropriate.
7. As used in this section, the term "health care coverage" means a uniform group insurance plan for hospital, medical, or prescription drug benefits coverage for an eligible employee which is provided under section 54-52.1-02.

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

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

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

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

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Public Employees Retirement System - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169	\$6,316,169	
Operating expenses	2,753,643	2,620,799	71,422	2,692,221	2,692,221	
Contingencies	250,000	250,000		250,000	250,000	
Total all funds	\$9,319,003	\$9,194,422	\$63,968	\$9,258,390	\$9,258,390	\$0
Less estimated income	9,319,003	9,194,422	63,968	9,258,390	9,258,390	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50	34.50	0.00

Department No. 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores FTE Position ²	Restores Funding for Operating Expenses ³	Total Conference Committee Changes
Salaries and wages	(\$7,454)			(\$7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	(\$7,454)	\$0	\$71,422	\$63,968
Less estimated income	(7,454)	0	71,422	63,968
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.00	0.00	1.00

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

² One FTE position removed by the House is restored, the same as the Senate version.

³ A portion of the funding reduced by the House for operating expenses is restored, the same as the Senate version. Funding is restored as follows:

Other Funds

Printing and postage costs for annual benefit statements
Other postage, printing, and supplies

33,220
8,450

This amendment also:

Removes sections:

- Limiting the use of funding in the health insurance reserve fund for reducing health insurance premium amounts; and
- Amending North Dakota Century Code to provide the Director of the Public Employees Retirement System be appointed by the Governor, changing the Public Employees Retirement System Board to an advisory board, and adjusting the membership and duties of the Employee Benefits Programs Committee.

Adds sections to:

- Establish, effective through July 31, 2019, a Public Employee Health Care Coverage Committee.
- Assign, effective through July 31, 2019, powers and duties to the Public Employee Health Care Coverage Committee.
- Amend, effective through July 31, 2019, the powers and duties of the Employee Benefits Programs Committee.
- Provide for a Public Employee Health Care Coverage Committee study and reports.

Engrossed HB 1023 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KREBSBACH MOVED that the conference committee report on Engrossed HB 1023 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a transfer; to provide for solicitations of bids for the public employee health benefits coverage; to provide for a study; to create and enact sections 54-35-02.9 and 54-35-02.10 and a new subsection to section 54-52-04 of the North Dakota Century Code, relating to the public employee health care coverage committee and the authority of the retirement board; to amend and reenact sections 54-35-02.4 and 54-52.1-08.2 of the North Dakota Century Code, relating to the employee benefits programs committee; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 30 YEAS, 15 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Hogue; Holmberg; Kannianen; Kilzer; Krebsbach; Larsen, O.; Larson, D.; Lee, G.; Luick; Meyer; Myrdal; Oehlke; Osland; Poolman; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Klein; Kreun; Laffen; Lee, J.; Mathern; Nelson; Oban; Piepkorn; Robinson; Roers

ABSENT AND NOT VOTING: Armstrong; Marcellais

Engrossed HB 1023, as amended, passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has passed, unchanged: HB 1050.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1023.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2003.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1023, HB 1050.

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

MR. PRESIDENT: The Speaker has signed: SB 2003.

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

MR. SPEAKER: The President has signed: SB 2003.

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

MR. SPEAKER: The President has signed: HB 1001.

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

MR. SPEAKER: The President has signed: HB 1023, HB 1050.

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

MR. PRESIDENT: The Speaker has signed: HB 1001.

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

MR. PRESIDENT: The Speaker has signed: HB 1023, HB 1050.

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

MR. PRESIDENT: The Speaker has signed: HB 1024.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 27, 2017: SB 2003.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 7:00 p.m., which motion prevailed.

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

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

REPORT OF CONFERENCE COMMITTEE

HB 1015, as reengrossed: Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Delzer, Carlson, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1951-1959, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services;"

Page 1, line 3, after the semicolon insert "to identify grant funding; to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, replace "section" with "sections 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, and sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 3, after "Code" insert "and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"

Page 1, line 4, after the first "to" insert "alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities,"

Page 1, line 4, after "fees" insert ", property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace the "and" with "to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management;"

Page 1, line 5, after "report" insert "; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$19,798,254	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438
Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	1,000,000	1,000,000
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	7,210,390	4,023,697	11,234,087
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00"

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

"Student internship	\$50,000	\$0
Facilities projects	205,000	0
Signage on the capitol grounds	1,400,000	0
West parking lot repair	50,000	0
Affordable Care Act health insurance pool	3,350,000	0
Facilities projects	1,475,303	0

Legislative electrical	310,000	0
Energy pool	7,965,000	0
Environmental impact committee - HB 1432	1,500,000	0
Surplus property building	0	800,000
Cybersecurity remediation pool	0	1,000,000
Theodore Roosevelt center grant	0	500,000
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$500,000"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

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

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

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

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

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

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

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and

improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

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

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

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

Page 3, after line 9, insert:

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

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

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

Page 3, line 10, after "**EXEMPTION**" insert "**- FISCAL MANAGEMENT**"

Page 3, replace lines 15 through 17 with:

"SECTION 17. EXEMPTION - CAPITOL BUILDING FUND. The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, as contained in section 1 of chapter 49 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available

for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

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

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

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

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

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

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, ~~execute and issue on behalf of the state evidences of indebtedness on the state general fund which borrow from the Bank of North Dakota in an amount that at no time exceed exceeds~~ the total principal amount of fifty million dollars with principal maturity of ~~not more than twelve months~~ not to extend beyond the biennium in which the borrowing occurs. As a condition precedent to the ~~issuance and sale of the evidences of indebtedness loan~~, the state treasurer must request and obtain a

statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year biennium in which the ~~evidences of indebtedness are to be issued~~ loan is taken will exceed the principal amount and interest on the ~~evidences of indebtedness to be issued~~ loan. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund ~~by the purchase of the evidences of indebtedness~~ at such rates of interest as the industrial commission may prescribe. ~~After evidences of indebtedness have been issued and sold pursuant to this section, the~~ The state treasurer and the director of the office of management and budget shall establish a fund ~~repayment plan~~ for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose. The office of management and budget shall report to the budget section of the legislative management regarding any loans obtained pursuant to this section.

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

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

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

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

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

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

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

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

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A

business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Page 4, replace lines 3 through 15 with:

"SECTION 26. 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 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

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

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

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

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall ~~study~~consider studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

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

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

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

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

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

SECTION 33. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.

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

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

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

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any

legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

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

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

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

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
State Auditor						
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0

General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
Dickinson State University						
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$38,037,114	\$38,593,573	\$18,854,187	\$57,447,760	\$55,125,834	\$2,321,926
Less estimated income	7,210,390	10,438,477	5,765,415	16,203,892	14,645,574	1,558,318
General fund	\$30,826,724	\$28,155,096	\$13,088,772	\$41,243,868	\$40,480,260	\$763,608

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$19,798,254	\$21,177,508	\$419,324	\$21,596,832	\$22,041,224	(\$444,392)
Operating expenses	13,855,260	12,909,988	1,141,450	14,051,438	14,068,438	(17,000)
Capital assets	200,000	973,477	800,000	1,773,477	1,773,477	
Grants	555,000	54,000	500,000	554,000	54,000	500,000
Emergency commission contingency fund	500,000	350,000	250,000	600,000	350,000	250,000
Guardianship grants	1,328,600	1,328,600		1,328,600	1,528,600	(200,000)
Prairie Public Broadcasting	1,600,000	800,000	400,000	1,200,000	1,400,000	(200,000)
State student internship program	200,000					
Cybersecurity remediation pool		1,000,000		1,000,000	1,000,000	
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
FTE	122.50	115.00	2.00	117.00	118.00	(1.00)

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Prairie Public Broadcasting ⁶
Salaries and wages	(\$24,676)	\$444,000				
Operating expenses			550,000	531,450	60,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie Public Broadcasting						400,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
FTE	0.00	2.00	0.00	0.00	0.00	0.00

	Adds Funding for a Grant to the Theodore Roosevelt Center ⁷	Adds Funding for Surplus Property Building ⁸	Adds Funding for Emergency Commission Contingency Fund ⁹	Total Conference Committee Changes
Salaries and wages				\$419,324
Operating expenses				1,141,450
Capital assets		800,000		800,000
Grants	500,000			500,000
Emergency commission contingency fund			250,000	250,000
Guardianship grants				
Prairie Public Broadcasting				400,000
State student internship				

program				
Cybersecurity remediation pool				
Total all funds	\$500,000	\$800,000	\$250,000	\$3,510,774
Less estimated income	0	800,000	0	795,610
General fund	\$500,000	\$0	\$250,000	\$2,715,164
FTE	0.00	0.00	0.00	2.00

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

² Funding of \$444,000 is added for 2 FTE unspecified positions. The House removed \$1,306,713 and 7.5 FTE positions. The Senate restored \$888,392 and 3 FTE positions, which were removed by the House. The Conference Committee version includes the removal of 1 FTE facility construction engineer position, the same as the House version.

³ Funding of \$550,000 is added for utility rate increases, the same as the Senate version.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses, the same as the Senate version.

⁵ Funding of \$60,000 is added for revenue forecasting contract and travel expenses. The House removed \$77,000 related to revenue forecasting, and the Senate restored the \$77,000 that was removed by the House.

⁶ Funding of \$400,000 is added for Prairie Public Broadcasting to provide \$1,200,000. The House provided \$800,000 for Prairie Public Broadcasting, and the Senate provided \$1,400,000.

⁷ One-time funding of \$500,000 from the general fund is added for a grant to the Theodore Roosevelt Center at Dickinson State University.

⁸ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building, the same as the Senate version.

⁹ Funding is added to provide \$600,000 for the Emergency Commission contingency fund.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium, the same as the Senate version.
- Provides for a transfer of \$248 million from the strategic investment and improvements fund to the general fund for the 2017-19 biennium.
- Provides a transfer of \$183 million from the tax relief fund to the general fund for the 2017-19 biennium.
- Identifies \$200 million of estimated earnings of the legacy fund will be transferred to the general fund, an increase of \$40 million from the March 2017 legislative forecast.
- Identifies \$52 million of unexpended 2015-17 biennium appropriations, increasing the estimated July 1, 2017, balance by \$13.88 million compared to the March 2017 legislative forecast of \$38.12 million.
- Requires the Office of Management and Budget to administer the tobacco prevention and control trust fund.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property, the same as the Senate version.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000). The Senate also included the exemption.

- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill, the same as the Senate version.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cashflow purposes, from \$10 million to \$50 million and to provide for a report to Budget Section. The Senate increased the borrowing authority to \$100 million.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover, the same as the Senate version.

House Bill No. 1015 - State Auditor - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$0	\$0	\$11,767,312	\$11,767,312	\$11,767,312	\$0
Operating expenses	0	0	1,142,783	1,142,783	1,142,783	0
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
FTE	0.00	0.00	56.00	56.00	56.00	0.00

Department No. 117 - State Auditor - Detail of Conference Committee Changes

	Adds Funding for the State Auditor ¹	Total Conference Committee Changes
Salaries and wages	\$11,767,312	\$11,767,312
Operating expenses	1,142,783	1,142,783
Total all funds	\$12,910,095	\$12,910,095
Less estimated income	3,411,487	3,411,487
General fund	\$9,498,608	\$9,498,608
FTE	56.00	56.00

¹ This amendment adds a section to provide funding for the State Auditor. House Bill No. 1004, which provided funding for the State Auditor, was vetoed by the Governor. Funding changes to the base level are summarized below:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
Base payroll changes		(99,658)	30,422	(69,236)
Health insurance increase		104,201	36,495	140,696
Removes an auditor V performance audit position	(1.00)	(277,191)		(277,191)
Removes an administrative officer position	(0.80)			0
Restores allotted funding for 4 FTE NDUS auditor positions		611,300		611,300
Removes 2 FTE NDUS auditor positions	(2.00)	(297,135)		(297,135)
Adds funding to reclassify a position		25,000		25,000
Underfunds salaries and wages		(21,768)		(21,768)
Adjusts funding for operating expenses		(72,723)	38,700	(34,023)
Removes funding for NDUS information technology security audits			(200,000)	(200,000)
Removes funding for information technology consultants		(250,000)		(250,000)
2017-19 Total Funding	56.00	\$9,498,608	\$3,411,487	\$12,910,095

This amendment also adds a section to identify additional funding provided for health insurance increases provided for the State Auditor's office, the same as the House and Senate versions of House Bill No. 1004.

House Bill No. 1015 - Dickinson State University - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operations			\$875,000	\$875,000		\$875,000
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Conference Committee Changes

	Adds Funding for Institution Operations ¹	Total Conference Committee Changes
Operations	\$875,000	\$875,000
Total all funds	\$875,000	\$875,000
Less estimated income	0	0
General fund	\$875,000	\$875,000
FTE	0.00	0.00

¹ Funding of \$875,000 is added from the general fund for Dickinson State University operations.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants - Medical assistance			\$1,558,318	\$1,558,318		\$1,558,318
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

	Adds Funding for Medical Assistance Grants ¹	Total Conference Committee Changes
Grants - Medical assistance	\$1,558,318	\$1,558,318
Total all funds	\$1,558,318	\$1,558,318
Less estimated income	1,558,318	1,558,318
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,558,318 from federal funds or other funds is added for the medical services program.

House Bill No. 1015 - Other Changes - Conference Committee Action

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for unreimbursed costs related to the collapse of Minard Hall and includes an emergency clause for the appropriation.
- Designates a grant of \$261,000 from the oil and gas impact grant fund for a provider serving individuals with developmental disabilities and includes an emergency clause for the grant.
- Amends Section 5-02-01.1 to allow local governing bodies to issue permits for special events serving alcohol and includes an emergency clause related to the amendment.
- Amends 15-10-38(8), as amended by Senate Bill No. 2037, to allow teachers in nonpublic schools to be eligible for a student loan forgiveness program.
- Adds a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date related to the subsection, the same as the Senate version.
- Amends the newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission, the same as the Senate version.
- Amends Section 47-02-27.4 as created by House Bill No. 1228 to allow certain business trusts to own real estate.
- Amends Section 57-20-04 relating to property tax increase reports by counties, the same as the Senate version.
- Amends a section of legislative intent in House Bill No. 1024 to exempt certain property sold by the state from the requirement that the state reserve a portion of the mineral rights.
- Amends an oil and gas valuation study in Senate Bill No. 2013 to remove certain requirements related to the study.
- Removes an effective date included in Senate Bill No. 2013 related to the provisions of House Bill No. 1300, which requires the Department of Trust Lands to follow the administrative rules process.
- Repeals Section 57-20-05 relating to certification of taxes levied by taxing districts, the same as the Senate version.
- Provides legislative intent regarding options to dispose of land that may be received by the state.
- Creates a Legislative Management committee to study tribal taxation and other issues and suspends the State and Tribal Relations Committee for the 2017-19 biennium. The Senate created the new committee.
- Provides for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy. The Senate also included this study.
- Provides for a Legislative Management study regarding revenue volatility.
- Provides for a Legislative Management study regarding the impact of the budget reductions for higher education that occurred during the 2015-17 biennium.

Reengrossed HB 1015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Reengrossed HB 1015 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services; to provide for transfers; to identify grant funding; to

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

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 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; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Marcellais; Nelson

Reengrossed HB 1015, as amended, passed and the emergency clause was declared carried.

MOTION

SEN. KLEIN MOVED that a committee of three be appointed to notify the House that the Senate has completed its business and is about to adjourn sine die, which motion prevailed.

THE PRESIDENT APPOINTS Sens. Laffen, Vedaa, and Oban.

MOTION

SEN. KLEIN MOVED that a committee of three be appointed to notify the Governor that the Senate has completed its business and is about to adjourn sine die, which motion prevailed.

THE PRESIDENT APPOINTS Sens. Casper, D. Larson, and Grabinger.

REMARKS OF SENATOR CASPER

MR PRESIDENT: The committee of three appointed to notify the Governor that the Senate has completed its business and is about to adjourn sine die, has completed its task, and requests that the committee be discharged.

THE PRESIDENT DISCHARGED the committee.

REMARKS OF SENATOR LAFFEN

MR PRESIDENT: The committee of three appointed to notify the House that the Senate has

completed its business and is about to adjourn sine die, has completed its task, and requests that the committee be discharged.

THE PRESIDENT DISCHARGED the committee.

REMARKS OF SENATOR WARDNER

MR. PRESIDENT AND MEMBERS OF THE SENATE: Thank you for all your dedicated work. You have been a part of making major investments in North Dakota. First I want to recognize the staff and your contributions to the legislative process that allowed the Senators to do their work.

Committee Clerks
Committee Interns
Pages
Sergeant-at-Arms
Supply Room and Information Kiosk
Front Desk Staff
Majority and Minority Office Staff
Legislative Council

You are all a part of the Senate family. Working for the legislature is often times a difficult task. The legislative session is a short four months and it entails many long hours. You are the engine that kept this legislative body in motion. We appreciate you and you can be rest assured that your efforts have made a difference for the people of North Dakota. Mr. President thank you for your quick study and keeping us on track presiding over the Senate. You also have become a part of the Senate family. Thanks!!

Second, I need to recognize the Majority Caucus for their loyalty and drive to get the job done. Third, I want the Minority Caucus to know that I appreciated their dedication and contributions to North Dakota. To all of you that work or serve in the Senate I feel an esprit de corps in this chamber.

The Medical Marijuana bill is a product of both parties and both chambers working together for the good of the people of North Dakota.

This was a challenging session because our resources were limited, however, everyone dug in and produced a product we can all live with. There is no question that this legislature has a commitment to elementary and secondary education, holding K-12 harmless for the most part. Past legislatures helped us set the table by placing more dollars in the Common Schools Trust Fund and putting in place the Foundation Aid Stabilization Fund. Expanded Medicaid has made a difference for our citizens who are not so fortunate and the legislature has committed to funding the program this biennium. Also, the Justice reinvestment legislation is a start in the area of behavioral health as we deal with mental health and drug addiction in our society, steering people toward treatment rather than incarceration.

It has been an honor to be your leader because you all have worked together as a team, working together to improve the quality of life in North Dakota. The goals of the majority and minority parties are the same; it's just that we all have different ways to get to those goals.

I believe we have much to look forward to in North Dakota in the areas of energy development and new technology, unmanned aircraft industry, added value in agriculture, oil and gas, and the potential of the Legacy Fund to affect the future of North Dakota.

Mr. President I have a great deal of respect for each and everyone of you! Thanks for all you do! Have a safe trip home, you can feel good about your accomplishments this session.

Thank you and God Bless each one of you!

REMARKS OF SENATOR HECKAMAN

MR. PRESIDENT: This time of the session is a time of thanks and appreciation for everyone who has been part of this chamber and the work we do together.

I want to start by saying a big thank you to all of the following:

To you, Mr. President, for stepping in and stepping up to the challenge. We have appreciated

your work in keeping us focused and on task.

To the Governor and opportunity to work with his new staff.

To my leadership team. As a first in both appropriations and as assistant leader, the Senator to my right has been outstanding. And to our caucus chair, Senator Nelson has brought her experience and expertise forward in keeping our caucus focused.

To our staff, I couldn't ask for a more professional group. I have a seasoned administrative assistant, Kathy, who keeps me focused. The work from both the communications directors and research assistant was outstanding. You three rock!

To Renae, for your work with our staff. We appreciate your kind offers to work together and keep this session rolling.

To the front desk staff, our pages and Sergeant of arms staff, as well as Julie in the supply room, and the gals at the kiosk. You are instrumental in our day to day process.

To our friends and colleagues across the hall.

To our friendly lobbyists and observers in the back of the chamber. Your direction is crucial in the work we do here for the people of North Dakota.

To the Legislative Council staff. We could not have done this without you. Your professional manner kept us grounded.

And to the IT staff. It is always comforting knowing you are in the back of the chamber ready and willing to get us through another session.

To Senator Kilzer for your work and steady, calm demeanor. You have served this chamber with your dignity and wisdom. Proud to know you and work with you.

I have also enjoyed the opportunity to work with the majority leader. I don't know how many of you know that the majority leader and the senator from district 39 both have connections from college with my husband. One of the first things I mentioned to them to see if I could leverage legislation is that I am sure my husband has a few stories about them from college days. And they reassured me that they had more stories about him, so they were certain that my husband would remain silent. Thank you, Senator Wardner for placing your trust in me this session and working with me as a rookie leader.

Finally, a huge thanks to my caucus for the opportunity to serve as your leader and for placing your confidence in me this session. You have taken on the challenge in committees and carry the load for us there. Your determination and ability to move forward with collaboration and compromise is to be commended. Words cannot express my appreciation to you.

And to the entire Senate, thank you for the privilege to work with all of you and serve not only my legislative district and my caucus, but to also have the great honor to work with all of you on important pieces of legislation.

We have not always agreed on policy or on funding programs and agencies, but our respect for each other is the factor at the end of the day that makes me proud to serve as the minority leader in the North Dakota Senate.

So until we gather again, always be humble and kind.

REMARKS OF PRESIDENT SANFORD

I want to begin by thanking the leadership.

Senator Wardner – leadership, wisdom, strategy, our coach. I will always be grateful for you receiving me into the Senate team on day 1. It has been a pleasure to watch your strong, but respectful and empowering style of leadership throughout the session. Thank you for once again leading us through the maze.

Senator Heckaman – grace, diplomacy, class, the eloquent voice of dissent... when needed. But as the Governor has pointed out numerous times, with the amount of 47-0 votes that happen in the Senate, evidently there aren't a lot of cases where it is needed.

Senator Klein – sense of humor, attention to detail, keeping us moving along. With the deepest gratitude, I want to thank you for preparing me at the beginning of the session to get me up and running, and of course for the ongoing assistance with 'wording' suggestions. Like when I asked how to introduce the page for the day and you said, "maybe something like: And our page for the day, all the way from District 36 is...".

Thank you Senator Klein. I will miss checking in with you daily for marching orders for the next 20 months. We'll have to schedule a Main Street Initiative fieldtrip for Fessenden soon.

Next I would like to thank the Senate Front Desk Staff.

I have a lot of bosses in here. I'm not sure if the Senate and observers behind the rail notice the subtle pointers I get from the folks up here or not, but I know that it's time to stop and take notice if Shanda quickly turns around, or if Joe leans my direction, or if Senator Klein raises his eyebrows.

Shanda and Joe run the floor sessions with professionalism and speed. We all appreciate Shanda's smile and her speed reading, and her strategic use of the term "various sections" to help move us along. Joe knows every step before we take it. He knows the answer to every question. Thank you Joe for not retiring and being here to mentor me through this session as your 4th Lieutenant Governor to train in. We'll see you back here in 20 months.

Rachel, Audrey, and Kassy are a little more subtle but they keep us organized and keep the bills moving through. Liz makes you all famous putting your eloquent floor speeches into permanent record. And Jack... what can I say... I think I've finally gotten to the point when you bring up the chaplain for the day, that I don't double check to see if I forgot and wore jeans. Thank you to all the Senate staff for your hard work getting us to the finish line.

Last, but certainly not least, I would like to thank the Senators.

To the Senators – For 77 days I have marveled at the decorum of this place. The civil and courteous behavior you exhibit to each other. You are respectful of the process yet work very hard to try to make a positive difference for the lives of the citizens of North Dakota. This session we tackled justice reinvestment, shifting the focus to behavioral health and substance abuse with less emphasis on corrections. We passed permanent property tax relief that also closes a very large unfunded mandate placed on the counties by funding county social services. We also made great strides in tax cleanup, water infrastructure continuation and protecting homesteaders mineral rights. We prepared for the future with creation of the DEQ, continued investment in Higher Ed, and new technologies like UAS and lignite research. We also kept our commitment to K-12 and human services.

There is a lot of strategy and diplomacy, emotion and passion involved to make or change a law. Tempers can flare. But in the end, here we are. Calm and civil. Ready to hand the product over to the executive branch to take the marching orders and reinvent government and serve the citizens of the State. Democracy is a wonderful thing. We are very blessed to live in this amazing country and this amazing State.

Thank you all, and I truly look forward to the 2019 session!

MOTION

SEN. KLEIN MOVED that the remarks of Senator Wardner, Senator Heckaman, and the President be printed in the journal, which motion prevailed.

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

MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1406, HB 1407.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1015.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1015.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1015.

MOTION

SEN. WARDNER MOVED that the Senate be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned sine die, and reconvene pursuant to sections 54-03-02 and 54-35-16 at a date determined by the Legislative Management to continue the work of the Sixty-Fifth Legislative Assembly, which motion prevailed.

Pursuant to Senator Wardner's motion, the Senate stood adjourned sine die.