

JOURNAL OF THE SENATE

Sixty-sixth Legislative Assembly

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Bismarck, April 11, 2019

The Senate convened at 1:00 p.m., with President Sanford presiding.

The prayer was offered by Pastor Brandon Vetter, Legacy United Methodist Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

CORRECTION AND REVISION OF THE JOURNAL

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

page 1364, line 44, replace "1068" with "1357"

page 1365, line 12, replace "1026-1027" with "1357"

page 1381, line 26, replace "894" with "1371"

page 1381, line 45, replace "1135-1137" with "1371-1374"

page 1382, line 18, replace "894" with "1371"

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

FIRST READING OF HOUSE CONCURRENT RESOLUTION

Reps. Eidson, Dockter, Grueneich, Kasper, Keiser, Laning, Owens, Pyle, M. Ruby and Sens. Bekkedahl, G. Lee, Marcellais introduced:

(Approved by the Delayed Bills Committee)

HCR 3059: A concurrent resolution urging Congress to pass, and President Donald Trump to sign, House Resolution 1911, also known as the SFC Brian Woods Gold Star and Military Survivors Act.

Was read the first time.

MOTION

SEN. KLEIN MOVED that the rules be suspended, that HCR 3059 not be printed, not be referred to committee, but be read in title only, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed.

Reps. Eidson, Dockter, Grueneich, Kasper, Keiser, Laning, Owens, Pyle, M. Ruby and Sens. Bekkedahl, G. Lee, Marcellais introduced:

(Approved by the Delayed Bills Committee)

HOUSE CONCURRENT RESOLUTION NO. 3059

A concurrent resolution urging Congress to pass, and President Donald Trump to sign, House Resolution 1911, also known as the SFC Brian Woods Gold Star and Military Survivors Act.

WHEREAS, Army Sergeant 1st Class William Brian Woods, Jr. (SFC Brian Woods), a decorated special forces medical sergeant, made the ultimate sacrifice for his country and died of wounds sustained while on patrol in Afghanistan in 2009. He was survived by a wife and two young children; and

WHEREAS, service members and their families endure hardships and make sacrifices unique to the military in the service of honor, duty, freedom, and patriotism; and

WHEREAS, one way we, as a grateful nation, honor those hardships and sacrifices is by promising we will provide financially for spouses and children of service members who die in the line of duty. In the words of Representative Seth Moulton of Delaware, "[w]hen Gold Star spouses are handed a folded flag, it comes with a sacred commitment from the American people. That commitment is for life That means Gold Star families should have the peace of mind that comes with knowing child care and funeral expenses are taken care of and that they will receive the nation's lifelong financial support"; and

WHEREAS, under current law, widows and widowers of service members who die in the line of duty lose their annuities and other survivor benefits upon remarriage; and

WHEREAS, the SFC Brian Woods Gold Star and Military Survivors Act would require the United States Department of Defense to pay the costs of transporting the remains of a service member killed in combat to the service member's hometown for a memorial and to a national cemetery of the Gold Star family's choice, and allow remarried Gold Star widows and widowers to continue to receive annuities and child care service assistance and, if they have dependent children, continue to access facilities on military bases; and

WHEREAS, it is consistent with North Dakotans' strong support for service members to uphold the nation's promise to care for Gold Star spouses throughout their lifetimes, as provided by the SFC Brian Woods Gold Star and Military Survivors Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Sixty-sixth Legislative Assembly urges the Congress of the United States to pass the SFC Brian Woods Gold Star and Military Survivors Act and urges President Donald Trump to sign the SFC Brian Woods Gold Star Military Survivors Act; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, each member of the North Dakota Congressional Delegation, and President Donald Trump.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3059: A concurrent resolution urging Congress to pass, and President Donald Trump to sign, House Resolution 1911, also known as the SFC Brian Woods Gold Star and Military Survivors Act.

The question being on the final adoption of the resolution, which has been read.

HCR 3059 was declared adopted on a voice vote.

CONSIDERATION OF AMENDMENTS

HB 1015, as engrossed: SEN. WANZEK (Appropriations Committee) MOVED that the amendments on SJ pages 1429-1433 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 5 of section 12-47-36 of the North Dakota Century Code, relating to disclosure of confidential records; to authorize the conveyance of real property owned by the state of North Dakota; to provide a statement of legislative intent; to provide for a study; to provide a report; to provide for an exemption; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bakke; Bekkedahl; Burckhard; Clemens; Cook; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner

NAYS: Anderson; Davison; Hogue; Unruh

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

CONSIDERATION OF VETOED MEASURE

SB 2055: AN ACT to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to the establishment of the budget section; to amend and reenact sections 15-03-04, 15-10-12.1, 20.1-02-05.1, 20.1-02-16.1, 25-04-02.2, 37-17.1-27, 40-23-22.1, 47-30.1-24.1, 48-01.2-25, subsection 16 of section 50-06-05.1, subsection 18 of section 50-06-05.1, and sections 54-06-37, 54-27-22, 54-27-23, 54-44.1-13.1, 54-59-05, and 65-08.1-02 of the North Dakota Century Code, relating to agency requests for budget section approval; and to repeal section 1 of chapter 67 of the 2013 Session Laws, relating to the authority of the state board of agricultural research and education to sell certain real property.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

The Senate overrode the Governor's veto of SB 2055, as enrolled.

MOTION

SEN. KLEIN MOVED that SB 2055 be immediately messaged to the House, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1365: A BILL for an Act to amend and reenact section 15.1-27-04.1 of the North Dakota Century Code, relating to state foundation aid payments to school districts.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 0 YEAS, 47 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1365, as amended, failed.

SECOND READING OF HOUSE BILL

HB 1402: A BILL for an Act to provide an appropriation to the department of commerce for health care workforce needs in rural areas of the state.

ROLL CALL

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

YEAS: Mathern; Piepkorn; Roers, K.

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Meyer; Myrdal; Oban; Oehlke; Patten; Poolman; Robinson; Roers, J.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1402 failed.

SECOND READING OF HOUSE BILL

HB 1384: A BILL for an Act to amend and reenact section 57-38-01.7 of the North Dakota Century Code, relating to the individual income tax credit for charitable contributions; and to provide an effective date.

MOTION

SEN. WARDNER MOVED that HB 1384 be amended as follows.

Page 1, line 2, remove "and"

Page 1, line 3, after "date" insert "; and to provide an expiration date"

Page 1, line 15, after "~~twenty~~" insert "twenty-five"

Page 1, line 15, remove the overstrike over "~~percent of the taxpayer's~~"

Page 1, line 16, remove the overstrike over "~~total income tax under this chapter for the year,~~
~~or~~"

Page 1, line 16, remove the overstrike over the second comma

Page 1, line 17, remove the overstrike over "~~whichever is less~~"

Page 2, line 1, after "~~twenty~~" insert "twenty-five"

Page 2, line 1, remove the overstrike over "~~percent of the taxpayer's total income tax under~~
~~this chapter~~"

Page 2, line 2, remove the overstrike over "~~for the year, or~~"

Page 2, line 2, remove the overstrike over "~~whichever is less~~"

Page 2, line 10, after "~~twenty~~" insert "twenty-five"

Page 2, line 10, remove the overstrike over "~~percent of the taxpayer's total income tax under~~
~~this chapter~~"

Page 2, line 11, remove the overstrike over "~~for the year, or~~"

Page 2, line 11, remove the overstrike over "~~whichever is less~~"

Page 3, line 7, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 3, line 7, after "for" insert "the first two"

Page 3, line 8, after "2018" insert ", after which this Act becomes ineffective"

Renumber accordingly

REQUEST

SEN. WARDNER REQUESTED a verification vote on the motion to adopt the proposed amendments to HB 1384, which request was granted on a verification vote.

The proposed amendments to HB 1384 were adopted on a verification vote.

HB 1384: A BILL for an Act to amend and reenact section 57-38-01.7 of the North Dakota Century Code, relating to the individual income tax credit for charitable contributions; to provide an effective date; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Grabinger; Hogue; Kannianen; Klein; Krebsbach; Larsen, O.; Larson, D.; Lee, G.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oehlke; Patten; Poolman; Robinson; Roers, J.; Roers, K.; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Anderson; Bakke; Dotzenrod; Heckaman; Hogan; Holmberg; Kreun; Lee, J.; Oban; Piepkorn; Rust; Schaible

HB 1384, as amended, passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. DAVISON MOVED that the Senate do concur in the House amendments to SB 2264 as printed on SJ pages 1310-1311, which motion prevailed on a voice vote.

SB 2264, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2264: A BILL for an Act to amend and reenact subsection 2 of section 28-32-01 of the North Dakota Century Code, relating to the board of university and school lands and exempt administrative agencies.

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: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Larsen, O.

Engrossed SB 2264 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. UNRUH MOVED that the Senate do concur in the House amendments to SCR 4017 as printed on SJ pages 1369-1370, which motion prevailed on a voice vote.

SCR 4017, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE CONCURRENT RESOLUTION

SCR 4017: A concurrent resolution urging the Indian Affairs Commission to study the archaeological discipline, cultural resources, and the knowledge and expertise of tribal elders and tribal historic preservation officers to educate local, state, and federal agencies and the public and to facilitate effective consultation and cooperation for historic and prehistoric site identification and the betterment of North Dakota and its citizens.

The question being on the final adoption of the amended resolution, which has been read.

Engrossed SCR 4017 was declared adopted on a voice vote.

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2006 as printed on SJ pages 1382-1385, in the House amendments to Engrossed SB 2023 as printed on SJ pages 1866-1867, in the House amendments to Engrossed SB 2172, in the House amendments to Reengrossed SB 2265 as printed on SJ pages 1385-1397, in the House amendments to Engrossed SB 2269 as printed on SJ pages 1367-1369, and in the House amendments to Engrossed SB 2345 as printed on SJ pages 1344-1349 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2006: Sens. Wanzek, Bekkedahl, Robinson.

Engrossed SB 2023: Sens. Krebsbach, Poolman, Robinson.

Engrossed SB 2172: Sens. Luick, Lemm, Bakke.

Reengrossed SB 2265: Sens. Schaible, Rust, Marcellais.

Engrossed SB 2269: Sens. Myrdal, Klein, O. Larsen.

Engrossed SB 2345: Sens. Luick, O. Larsen, Hogan.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1002, Engrossed HB 1004, Engrossed HB 1006, Engrossed HB 1007, Engrossed HB 1008, Engrossed HB 1009, Engrossed HB 1010, Engrossed HB 1012, Engrossed HB 1013, Engrossed HB 1019, Engrossed HB 1022, Engrossed HB 1283, Engrossed HB 1286, Reengrossed HB 1435, and Engrossed HB 1453, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1002: Sens. Hogue, Dever, Grabinger

Engrossed HB 1004: Sens. G. Lee, Sorvaag, Mathern

Engrossed HB 1006: Sens. Sorvaag, Bekkedahl, Grabinger

Engrossed HB 1007: Sens. Dever, Poolman, Mathern

Engrossed HB 1008: Sens. Krebsbach, Oehlke, Robinson

Engrossed HB 1009: Sens. Krebsbach, Poolman, Grabinger

Engrossed HB 1010: Sens. Bekkedahl, Erbele, Grabinger

Engrossed HB 1012: Sens. G. Lee, Oehlke, Grabinger

Engrossed HB 1013: Sens. Wanzek, Hogue, Grabinger

Engrossed HB 1019: Sens. Poolman, Erbele, Robinson

Engrossed HB 1022: Sens. Hogue, Oehlke, Mathern

Engrossed HB 1283: Sens. K. Roers, Anderson, Hogan

Engrossed HB 1286: Sens. D. Larson, Dwyer, Bakke

Reengrossed HB 1435: Sens. Davison, K. Roers, Oban

Engrossed HB 1453: Sens. Myrdal, Dwyer, Bakke

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

MR. SPEAKER: The Senate has passed, unchanged: HCR 3059.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1384.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1015.

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

MR. SPEAKER: The Senate has amended and subsequently failed to pass: HB 1365.

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

MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1402.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has passed, and your favorable consideration is requested on: HCR 3059.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2005, SB 2017, SB 2022, SB 2139, SB 2172, SCR 4001.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2005

Page 1, line 7, after the second comma insert "and from special funds derived from the strategic investment and improvements fund"

Page 1, replace lines 12 through 15 with:

"Salaries and wages	\$1,316,139	\$52,418	\$1,368,557
Operating expenses	251,260	(24,031)	227,229
Coal severance payments	<u>180,000</u>	<u>(9,000)</u>	<u>171,000</u>
Total all funds	\$1,747,399	\$19,387	\$1,766,786
Less estimated income	<u>0</u>	<u>35,000</u>	<u>35,000</u>
Total general fund	\$1,747,399	(\$15,613)	\$1,731,786"

Page 1, after line 16, insert:

"SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Information technology costs	<u>\$0</u>	<u>\$35,000</u>
Total special funds	<u>\$0</u>	<u>\$35,000</u>

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state treasurer shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The operating expenses line item and the estimated income line item in section 1 of this Act include \$35,000 from the strategic investment and improvements fund for information technology costs."

Page 1, line 22, replace "one hundred seven thousand eight hundred eighty-five" with "one hundred one thousand eight hundred seventy-nine"

Page 1, line 23, replace "one hundred eleven thousand one hundred twenty-two" with "one hundred four thousand four hundred twenty-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2005 - State Treasurer - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$1,316,139	\$1,380,797	(\$12,240)	\$1,368,557
Operating expenses	251,260	192,229	35,000	227,229
Coal severance payments	<u>180,000</u>	<u>171,000</u>		<u>171,000</u>
Total all funds	\$1,747,399	\$1,744,026	\$22,760	\$1,766,786
Less estimated income	<u>0</u>	<u>0</u>	<u>35,000</u>	<u>35,000</u>
General fund	\$1,747,399	\$1,744,026	(\$12,240)	\$1,731,786
FTE	7.00	7.00	0.00	7.00

Department 120 - State Treasurer - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Removes Funding for Salary Equity Increase to State Treasurer ²	Adds Funding for Information Technology Costs ³	Total House Changes
Salaries and wages	\$2,381	(\$14,621)		(\$12,240)
Operating expenses			\$35,000	35,000
Coal severance payments				
Total all funds	\$2,381	(\$14,621)	\$35,000	\$22,760
Less estimated income	0	0	35,000	35,000
General fund	\$2,381	(\$14,621)	\$0	(\$12,240)
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Funding is removed for a salary equity increase to the State Treasurer. The Senate provided a salary equity increase of \$14,621 to align the State Treasurer's salary with the salary of the State Auditor.

³ One-time funding of \$35,000 is added from the strategic investment and improvements fund for information technology costs related to changes in the oil and gas tax revenue allocation formulas. The Senate did not include funding for these information technology costs.

This amendment also:

- Adds a section to identify \$35,000 from the strategic investment and improvements fund for information technology costs.
- Includes a section to provide the statutory changes necessary to increase the State Treasurer's salary to \$101,879 (2 percent) in fiscal year 2020 and to \$104,426 (2.5 percent) in fiscal year 2021.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2017

Page 1, remove lines 13 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$29,854,874	\$1,642,862	\$31,497,736
Operating expenses	15,338,130	611,039	15,949,169
Capital assets	6,080,956	(163,065)	5,917,891
Grants - Game and fish	9,650,184	(1,103,019)	8,547,165
Land habitat and deer depredation	17,824,177	(164,168)	17,660,009
Noxious weed control	725,000	0	725,000
Missouri River enforcement	283,857	4,211	288,068
Grants, gifts, and donations	802,201	(268,469)	533,732
Nongame wildlife conservation	120,000	(20,000)	100,000
Lonetree reservoir	1,798,119	36,743	1,834,862
Wildlife services	500,000	0	500,000
Shooting sports grant program	250,000	0	250,000
Total special funds	\$83,227,498	\$576,134	\$83,803,632
Full-time equivalent positions	163.00	0.00	163.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2017 - Game and Fish Department - House Action**

Base Budget	Senate Version	House Changes	House Version
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Salaries and wages	\$29,854,874	\$30,926,254	\$571,482	\$31,497,736
Operating expenses	15,338,130	16,504,857	(555,688)	15,949,169
Capital assets	6,080,956	5,917,891		5,917,891
Grants - Game and fish	9,650,184	8,547,165		8,547,165
Land habitat and deer depredation	17,824,177	17,658,981	1,028	17,660,009
Noxious weed control	725,000	725,000		725,000
Missouri River enforcement	283,857	288,000	68	288,068
Grants - Gifts - Donations	802,201	533,620	112	533,732
Nongame wildlife conservation	120,000	100,000		100,000
Lonetree reservoir	1,798,119	1,834,367	495	1,834,862
Wildlife services	500,000	500,000		500,000
Shooting sports grant program	250,000	250,000		250,000
Total all funds	\$83,227,498	\$83,786,135	\$17,497	\$83,803,632
Less estimated income	83,227,498	83,786,135	17,497	83,803,632
General fund	\$0	\$0	\$0	\$0
FTE	163.00	160.00	3.00	163.00

Department 720 - Game and Fish Department - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes IT Unification ²	Total House Changes
Salaries and wages	\$22,222	\$549,260	\$571,482
Operating expenses		(555,688)	(555,688)
Capital assets			
Grants - Game and fish			
Land habitat and deer depredation	1,028		1,028
Noxious weed control			
Missouri River enforcement	68		68
Grants - Gifts - Donations	112		112
Nongame wildlife conservation			
Lonetree reservoir	495		495
Wildlife services			
Shooting sports grant program			
Total all funds	\$23,925	(\$6,428)	\$17,497
Less estimated income	23,925	(6,428)	17,497
General fund	\$0	\$0	\$0
FTE	0.00	3.00	3.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Three FTE positions transferred to the Information Technology Department by the Senate for the IT unification project are restored, resulting in an increase to salaries and wages of \$549,260 and a decrease to operating expenses of \$555,688.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2022

Page 1, line 2, remove "to provide for a report to the legislative assembly;"

Page 1, replace lines 8 through 15 with:

"	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$4,425,570	\$502,660	\$4,928,230
Operating expenses	862,484	26,450	888,934
Capital assets	0	0	0
Contingencies	52,000	0	52,000
Total special funds	\$5,340,054	\$529,110	\$5,869,164
Full-time equivalent positions	19.00	1.00	20.00"

Page 1, remove lines 16 through 24

Page 2, remove lines 1 and 2

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2022 - Retirement and Investment Office - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$4,425,570	\$4,986,508	(\$58,278)	\$4,928,230
Operating expenses	862,484	3,538,934	(2,650,000)	888,934
Capital assets		6,300,000	(6,300,000)	
Contingencies	52,000	82,000	(30,000)	52,000
Total all funds	\$5,340,054	\$14,907,442	(\$9,038,278)	\$5,869,164
Less estimated income	5,340,054	14,907,442	(9,038,278)	5,869,164
General fund	\$0	\$0	\$0	\$0
FTE	19.00	20.00	0.00	20.00

Department 190 - Retirement and Investment Office - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Adjust Funding for Contingencies ²	Removes One-Time Funding for Teachers' Fund for Retirement Project ³	Total House Changes
Salaries and wages	(\$8,278)		(\$50,000)	(\$58,278)
Operating expenses			(2,650,000)	(2,650,000)
Capital assets			(6,300,000)	(6,300,000)
Contingencies		(\$30,000)		(30,000)
Total all funds	(\$8,278)	(\$30,000)	(\$9,000,000)	(\$9,038,278)
Less estimated income	(8,278)	(30,000)	(9,000,000)	(9,038,278)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent salary increase on July 1, 2020, to provide a total of \$133,673 for state employee salary increases. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020, to provide a total of \$141,951 for state employee salary increases.

² Funding of \$30,000 for contingencies added by the Senate is removed by the House to provide a total contingencies appropriation of \$52,000.

³ One-time funding of \$9 million is removed for a Teachers' Fund for Retirement pension administration project that was included in the Senate version.

HOUSE AMENDMENTS TO SENATE BILL NO. 2139

Page 1, line 1, remove "61-02-01.3,"

Page 1, line 1, after the third comma insert "61-02-04, 61-02-07,"

Page 1, line 2, after "duties" insert "and membership"

Page 1, remove lines 5 through 16

Page 2, line 5, overstrike "and" and insert immediately thereafter an underscored comma

Page 2, line 5, overstrike "including" and insert immediately thereafter "and"

Page 2, line 8, after the period insert "Snagging and clearing of watercourses are not regular maintenance."

Page 3, line 28, remove the overstrike over ~~"Water conveyance project"~~ means any"

Page 3, line 28, after "bank" insert "assessment drain, stream bank"

Page 3, line 28, remove the overstrike over ~~"stabilization, or"~~

Page 3, remove the overstrike over line 29

Page 3, line 30, remove the overstrike over "44."

Page 4, after line 14, insert:

"SECTION 3. AMENDMENT. Section 61-02-04 of the North Dakota Century Code is amended and reenacted as follows:

61-02-04. State water commission - Members - Terms - Qualifications.

The state water commission consists of the governor, agriculture commissioner, and ~~sevend~~eight other members appointed by the governor who shall take into account reasonable geographic considerations in making the appointments with the intent of having each of the ~~sevend~~eight major drainage basins represented by a commissioner who resides in the basin. The major drainage basins are the upper Missouri River basin;i the lower Missouri River basin;i the James River basin;i the upper Red River basin;i the lower Red River basin;i the Mouse River basin;i and the Devils Lake basin; and the Little Missouri River, upper Heart River, and upper Cannonball River basin. The governor or the agriculture commissioner, or both, may appoint a representative to serve in that official's capacity at meetings that official is unable to attend. The ~~sevend~~eight appointive members of the commission must be appointed for a term of six years each with the terms of office so arranged that ~~two-terms-and~~ not more than ~~three~~four terms expire on the first day of July of each odd-numbered year. Each appointive member must be a qualified elector of the state and is subject to removal by judicial procedure. In case of a vacancy, the vacancy must be filled by appointment by the governor for the remainder of the unexpired term. Before entering upon the discharge of official duties, each appointive member shall take, subscribe, and file with the secretary of state the oath prescribed for civil officers.

SECTION 4. AMENDMENT. Section 61-02-07 of the North Dakota Century Code is amended and reenacted as follows:

61-02-07. Quorum - What constitutes.

A majority of the members of the commission constitutes a quorum, and the affirmative or negative vote of ~~five~~six members is necessary to bind the commission except for adjournment."

Page 5, line 12, overstrike "operation,"

Page 5, line 12, after "and" insert "extraordinary"

Page 5, line 13, overstrike "and private"

Page 5, line 15, overstrike "or" and insert immediately thereafter ", regular"

Page 5, line 15, overstrike "including" and insert immediately thereafter "or"

Page 5, line 16, overstrike the second "of"

Page 5, line 16, after "project" insert "for"

Page 5, line 17, remove "or other man-made projects"

Page 5, line 17, after the period insert "Snagging and clearing of watercourses are not regular maintenance."

Renumber accordingly

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2172

Page 1, line 1, after "enact" insert "a new subdivision to subsection 1 of section 54-12-14,"

Page 1, line 1, after "62.1-02-04" insert ", and section 62.1-04-03.2"

Page 1, line 2, after "to" insert "a class 1 exempt firearm license and"

Page 1, line 3, remove "subdivision m of subsection 2 of"

Page 1, after line 6, insert:

"SECTION 1. A new subdivision to subsection 1 of section 54-12-14 of the North Dakota Century Code is created and enacted as follows:

For costs associated with class 1 exempt licenses under section 62.1-04-03.2."

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 4 with:

"SECTION 3. AMENDMENT. Section 62.1-02-05 of the North Dakota Century Code is amended and reenacted as follows:

62.1-02-05. Possession of a firearm or dangerous weapon at a public gathering - Penalty - Application.

1. An individual who knowingly possesses a firearm or dangerous weapon at a public gathering is guilty of a class B misdemeanor. For the purpose of this section, "public gathering" means an athletic or sporting event, a school, a church, and a publicly owned or operated building.
2. This section does not apply to:
 - a. A law enforcement officer, or a correctional officer employed by the department of corrections and rehabilitation or by a correctional facility governed by chapter 12-44.1. A correctional officer employed by the department of corrections and rehabilitation may carry a firearm only as authorized in section 12-47-34. A correctional officer employed by a correctional facility governed by chapter 12-44.1 may carry a firearm or dangerous weapon only as authorized in section 12-44.1-30;
 - b. A member of the armed forces of the United States or national guard, organized reserves, state defense forces, or state guard organizations, when on duty;
 - c. A competitor participating in an organized sport shooting event;
 - d. A gun or antique show;
 - e. A participant using a blank cartridge firearm at a sporting or theatrical event;
 - f. A firearm or dangerous weapon carried in a temporary residence or motor vehicle;
 - g. A student and an instructor at a hunter safety class;
 - h. Private and public security personnel while on duty;
 - i. A state or federal park;
 - j. An instructor, a test administrator, an official, or a participant in educational, training, cultural, or competitive events involving the authorized use of a dangerous weapon if the event occurs with permission of the person or entity with authority over the function or premises in question;

- k. An individual in a publicly owned or operated rest area or restroom;
 - l. An individual possessing a valid concealed weapons license from this state or who has reciprocity under section 62.1-04-03.1 authorizing the individual to carry a dangerous weapon concealed if the individual is in a church building or other place of worship and has the approval to carry in the church building or other place of worship by a primary religious leader of the church or other place of worship or the governing body of the church or other place of worship;
 - m. A state, federal, or municipal court judge, a district court magistrate judge, or judicial referee; a retired state, federal, or municipal court judge, district court magistrate judge, or judicial referee who has at least ten years of service as a judge or referee; and a staff member of the office of attorney general if the individual maintains the same level of firearms proficiency as is required by the peace officer standards and training board for law enforcement officers. A local law enforcement agency shall issue a certificate of compliance under this section to an individual who is proficient. Upon issuance of a certificate of compliance, the bureau of criminal investigation shall issue that individual an unrestricted concealed weapons license; and
 - n. A North Dakota member of the Congress of the United States who maintains the same level of firearms proficiency as is required by the peace officer standards and training board for law enforcement officers. A local law enforcement agency shall issue a certificate of compliance under this subdivision to an individual who is proficient and the individual shall file the certificate with the bureau of criminal investigation;
 - o. An individual who possesses a valid class 1 exempt license under section 62.1-04-03.2;
 - p. An individual who is a paramedic or other emergency responder if the individual maintains the same level of firearms proficiency as is required by the peace officer standards and training board for law enforcement officers. A local law enforcement agency shall issue a certificate of compliance under this section to an individual who is proficient. Upon issuance of a certificate of compliance, the bureau of criminal investigation shall issue that individual an unrestricted concealed weapons license; and
 - q. An individual's storage of a firearm or dangerous weapon in a building that is owned or managed by the state or a political subdivision, provided:
 - (1) The individual resides in the building;
 - (2) The storage is inside the individual's assigned residential unit; and
 - (3) The storage has been consented to by the state, the governing board, or a designee.
3. This section does not prevent any political subdivision from enacting an ordinance that is less restrictive than this section relating to the possession of firearms or dangerous weapons at a public gathering. An enacted ordinance supersedes this section within the jurisdiction of the political subdivision.
4. Notwithstanding any other provision of law, a church or place of worship may not be held liable for any injury or death or damage to property caused by an individual permitted to carry a dangerous weapon concealed under this section.

5. For purposes of this section, "political subdivision" includes a nonpublic school.

SECTION 4. Section 62.1-04-03.2 of the North Dakota Century Code is created and enacted as follows:

62.1-04-03.2. Class 1 exempt firearm license.

1. The director of the bureau of criminal investigation shall issue a class 1 exempt license to carry a firearm or dangerous weapon concealed to an individual who:
 - a. Possesses a valid class 1 firearm license under section 62.1-04-03; and
 - b. Successfully completes the training and testing requirements under this section.
2. The bureau of criminal investigation shall coordinate with the peace officer standards and training board to develop and implement training standards and testing requirements equivalent to the firearms proficiency required by the peace officer standards and training board for law enforcement officers. The bureau of criminal investigation shall certify instructors under this section. Training must include:
 - a. Classroom training on weapons and procedures, including:
 - (1) At least two hours of specialized training relating to when, where, and how to carry a dangerous weapon concealed; and
 - (2) Instruction on situational awareness considerations when assessing the need to carry a dangerous weapon concealed in a publicly owned or operated building, church, school, and athletic or sporting event; and
 - b. Field training on weapons and procedures.
3. The bureau of criminal investigation shall develop and administer an annual training requirement for holders of a class 1 exempt license which may include classroom and field training components.
4. The bureau of criminal investigation shall prescribe the form of the application and license.
5. All fees collected for a class 1 exempt license must be credited to the attorney general's operating fund. All fees must be paid before the license application is processed by the director of the bureau of criminal investigation. The attorney general shall adopt rules establishing the fees associated with a license issued under this section."

Renumber accordingly

**HOUSE AMENDMENTS TO ENGROSSED SENATE
CONCURRENT RESOLUTION NO. 4001**

Page 1, line 7, after the period insert "The measure also requires constitutional amendments to be submitted to voters only at general elections."

Page 1, line 19, after the period insert "An initiative to amend the constitution may be placed on the ballot only at a general election."

Page 1, line 19, remove "in a statewide"

Page 1, line 20, remove "election"

Page 1, line 23, replace "statewide" with "general"

Renumber accordingly

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause failed: SB 2315.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2315

In lieu of the amendments adopted by the House of Representatives as printed on pages 1714-1721 of the House Journal, Engrossed Senate Bill No. 2315 is amended as follows:

Page 1, line 1, remove "to create and enact chapter 20.1-18 of the North Dakota Century Code,"

Page 1, line 2, remove "relating to a database identifying whether private land is open to hunters;"

Page 1, line 3, remove "20.1-01-19,"

Page 1, line 5, remove "to provide for a legislative management study,"

Page 1, line 19, after "in" insert "subsection 3 and"

Page 1, line 19, after the third underscored comma insert "and"

Page 1, line 19, remove ", and"

Page 1, line 20, remove "20.1-18-03"

Page 1, line 21, overstrike "a. An individual is guilty of a class B misdemeanor if, knowing that that individual is"

Page 1, overstrike lines 22 through 24

Page 2, overstrike lines 1 through 10

Page 2, line 11, overstrike "4."

Page 2, line 11, remove the overstrike over "~~a. An individual~~"

Page 2, line 11, remove the overstrike over "~~may~~"

Page 2, line 12, remove the overstrike over "~~not~~"

Page 2, line 12, remove the overstrike over "~~remain~~"

Page 2, line 13, after "~~intruders~~" insert "on property that is privately owned and open to the public after being requested to leave the property by a duly authorized individual"

Page 2, line 13, remove the overstrike over "~~:A~~"

Page 2, remove the overstrike over line 14

Page 2, line 15, remove the overstrike over "~~b. A peace officer shall cite an individual who violates subdivision a~~" and insert immediately thereafter "or commits a noncriminal offense under section 20.1-01-18"

Page 2, line 15, remove the overstrike over "~~with a fine of~~"

Page 2, remove the overstrike over lines 16 through 31

Page 3, remove the overstrike over lines 1 through 12

Page 3, line 13, overstrike "An individual is guilty of a class B misdemeanor if that individual remains upon the"

Page 3, overstrike lines 14 through 16

Page 3, line 17, overstrike "a" and insert immediately thereafter ":

a. A"

Page 3, line 18, after "duties" insert ";or

b. An individual who enters land to access buried and aboveground infrastructure for operations, inspection, repair, or maintenance purposes, if the individual has a right to operate, inspect, repair, or maintain the infrastructure"

Page 3, line 21, remove the overstrike over "~~on posted land and trapping~~"

Page 3, line 21, remove the overstrike over "~~without permission~~"

Page 3, line 22, remove the overstrike over "~~unlawful -- Penalty~~"

Page 3, line 25, after the underscored comma insert "unless the land is legally posted or the individual is requested to leave by a duly authorized person"

Page 3, line 25, after "person" insert "A person"

Page 3, line 25, remove the overstrike over "may" and insert immediately thereafter "not"

Page 3, line 25, remove the overstrike over "~~enter upon privately owned land for the~~"

Page 3, remove the overstrike over line 26

Page 3, line 27, remove the overstrike over "~~the owner or operator of that land. A person who violates this section is guilty of a~~"

Page 3, line 28, after the first "misdemeanor" insert "noncriminal offense subject to the fines and procedures under subsection 3 of section 12.1-22-03"

Page 3, line 28, remove the overstrike over "~~for the first offense and a class A misdemeanor for a subsequent offense within a~~"

Page 3, line 29, remove the overstrike over "~~two-year period~~"

Page 3, line 29, remove "unless the land is designated as closed to hunters or open to hunters with"

Page 3, remove line 30

Page 3, line 31, remove "20.1-01-17"

Page 3, line 31, remove the overstrike over the overstruck period

Page 4, remove lines 1 through 5

Page 4, line 12, after "individual" insert "or a group including the individual"

Page 4, line 13, after "individual" insert "or the group including the individual"

Page 4, line 24, remove "that are"

Page 4, line 24, overstrike "posted"

Page 4, line 25, overstrike "against hunting or trespassing"

Page 4, line 25, remove "under section 20.1-01-17 or private lands that are"

Page 4, remove line 26

Page 4, line 27, remove "20.1-18-02."

Page 4, remove lines 30 and 31

Page 5, remove lines 1 through 30

Page 6, replace lines 1 through 29 with:

"SECTION 5. EDUCATION AND MARKETING. The game and fish department and the tourism division of the department of commerce shall provide public education and marketing regarding the changes to land access in this Act."

Renumber accordingly

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2264 and SCR 4017.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2006, SB 2023, SB 2172, SB 2265, SB 2269, and SB 2345, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2006: Sens. Wanzek; Bekkedahl; Robinson

SB 2023: Sens. Krebsbach; Poolman; Robinson

SB 2172: Sens. Luick; Lemm; Bakke

SB 2265: Sens. Schaible; Rust; Marcellais

SB 2269: Sens. Myrdal; Klein; O. Larsen

SB 2345: Sens. Luick; O. Larsen; Hogan

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

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

SB 2001: Reps. Schatz; Martinson; Schmidt

SB 2007: Reps. Howe; Beadle; Bellew

SB 2014: Reps. B. Anderson; Meier; Holman

SB 2018: Reps. Schatz; Nathe; Boe

SB 2214: Reps. Monson; Sanford; Owens

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 1011, HB 1020, HB 1025, HB 1286, HB 1333, and HB 1453, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1011: Reps. Bellew; Brandenburg; Mock

HB 1020: Reps. Monson; Nathe; Boe

HB 1025: Reps. Schobinger; B. Anderson; Holman

HB 1286: Reps. K. Koppelman; Jones; Satrom

HB 1333: Reps. Lefor; Keiser; P. Anderson

HB 1453: Reps. Karls; McWilliams; Paulson

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 1002: Sens. Hogue; Dever; Grabinger

HB 1004: Sens. G. Lee; Sorvaag; Mathern

HB 1006: Sens. Sorvaag; Bekkedahl; Grabinger
HB 1007: Sens. Dever; Poolman; Mathern
HB 1008: Sens. Krebsbach; Oehlke; Robinson
HB 1009: Sens. Krebsbach; Poolman; Grabinger
HB 1010: Sens. Bekkedahl; Erbele; Grabinger
HB 1012: Sens. G. Lee; Oehlke; Grabinger
HB 1013: Sens. Wanzek; Hogue; Grabinger
HB 1019: Sens. Poolman; Erbele; Robinson
HB 1022: Sens. Hogue; Oehlke; Mathern
HB 1283: Sens. K. Roers; Anderson; Hogan
HB 1286: Sens. O. Larsen; Dwyer; Bakke
HB 1435: Sens. Davison; K. Roers; Oban
HB 1453: Sens. Myrdal; Dwyer; Bakke

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2058, SB 2320.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2058, SB 2320.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2058, SB 2320.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has overridden the Governor's veto on SB 2055. The vote was 47 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING, and your favorable consideration is requested.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 11, 2019: SB 2058, SB 2320.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 10, 2019, I have signed the following: SB 2044, SB 2150, SB 2212, SB 2217, SB 2222, and SB 2241.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 12:30 p.m., Friday, April 12, 2019, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1014, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1014 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to create and enact section 6-09.4-28 of the North Dakota Century Code, relating to the infrastructure revolving loan fund debt repayments;"

Page 1, line 3, after "reenact" insert "sections 6-09-49, 6-09.4-06, and 6-09.4-10, subsection 6 of section 21-03-07, sections 21-03-19, 54-17-40, 57-15-06.6, and 57-47-02, and"

Page 1, line 4, after "to" insert "the infrastructure revolving loan fund, borrowing and lending authority, reserve funds, expanded bonding authority for counties, the housing incentive fund, and"

Page 1, line 5, after the first semicolon insert "to repeal section 61-02-78 of the North Dakota Century Code, relating to a revolving loan fund for water projects;"

Page 1, line 5, replace "and" with "to provide a continuing appropriation; to provide a bond issuance limitation;"

Page 1, line 6, after "exemption" insert "; to provide for a study; to provide a report; to provide a statement of legislative intent; to provide an effective date; and to declare an emergency"

Page 1, remove lines 18 through 24

Page 2, replace line 1 with:

"Salaries and wages	\$22,014,084	\$1,570,366	\$23,584,450
Operating expenses	5,305,888	814,339	6,120,227
Capital assets	0	5,000,000	5,000,000
Grants - bond payments	13,210,484	(2,701,717)	10,508,767
Contingencies	<u>221,737</u>	<u>7,807</u>	<u>229,544</u>
Total all funds	\$40,752,193	\$4,690,795	\$45,442,988
Less estimated income	<u>15,343,206</u>	<u>2,670,584</u>	<u>18,013,790</u>
Total general fund	\$25,408,987	\$2,020,211	\$27,429,198"

Page 2, replace lines 7 through 9 with:

"Bank of North Dakota operations	\$58,489,204	\$4,358,595	\$62,847,799
Capital assets	<u>810,000</u>	<u>700,000</u>	<u>1,510,000</u>
Total special funds	\$59,299,204	\$5,058,595	\$64,357,799"

Page 2, replace lines 15 through 19 with:

"Salaries and wages	\$7,892,056	\$616,959	\$8,509,015
Operating expenses	4,743,355	602,921	5,346,276
Grants	31,794,828	1,671,772	33,466,600
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$44,530,239	\$2,891,652	\$47,421,891"

Page 2, replace lines 25 through 30 with:

"Salaries and wages	\$39,308,519	\$7,269,376	\$46,577,895
Operating expenses	28,195,000	1,642,000	29,837,000
Contingencies	500,000	0	500,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total special funds	\$68,213,519	\$8,911,376	\$77,124,895
Full-time equivalent positions	153.00	4.00	157.00"

Page 3, replace lines 4 through 6 with:

"Grand total general fund	\$25,408,987	\$22,040,211	\$47,449,198
Grand total special funds	<u>187,386,168</u>	<u>19,532,207</u>	<u>206,918,375</u>
Grand total all funds	\$212,795,155	\$41,572,418	\$254,367,573"

Page 3, replace lines 12 through 19 with:

"Litigation	\$1,000,000	\$0
Industrial water supply asset study	150,000	0
Soil remediation studies	5,000,000	0
Survey review	800,000	0
Temporary employees	0	175,000
Radioactive waste advisory council	0	20,000
Rare earth elements study	0	160,000
Fracturing sand study	0	110,000
Oil database software upgrade	<u>0</u>	<u>5,000,000</u>
Total all funds	\$6,950,000	\$5,465,000
Less estimated income	<u>6,950,000</u>	<u>5,290,000</u>
Total general fund	\$0	\$175,000"

Page 4, after line 15, insert:

"SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - PUBLIC FINANCE AUTHORITY - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$26,000,000, or so much of the sum as may be necessary, to the public finance authority for the purpose of debt service repayments associated with bonds issued to support the infrastructure revolving loan fund, for the period beginning with the effective date of this Act and ending June 30, 2019. The funding provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. APPROPRIATION - BANK OF NORTH DAKOTA - LINE OF CREDIT. The Bank of North Dakota may extend a line of credit, not to exceed \$100,000,000, to the infrastructure revolving loan fund established under section 6-09-49. The Bank may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance by the public finance authority, for the biennium beginning July 1, 2019, and ending June 30, 2021. The interest rate associated with the line of credit must be the same as the prevailing interest rate charged by the Bank to North Dakota governmental entities. If a line of credit is extended pursuant to this section, the Bank shall repay the line of credit from bond proceeds associated with the bonds issued by the public finance authority to support the infrastructure revolving loan fund.

SECTION 7. APPROPRIATION - TRANSFER GENERAL FUND TO HIGH-LEVEL RADIOACTIVE WASTE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000, which the office of management and budget shall transfer to the high-level radioactive waste fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

Page 4, line 16, replace **"APPROPRIATION"** with **"FUNDING"**

Page 4, line 16, remove **"FUNDING"**

Page 4, line 26, replace "\$1,150,782" with "\$1,172,603"

Page 6, after line 3, insert:

"SECTION 17. TRANSFER INFRASTRUCTURE REVOLVING LOAN FUND FOR WATER PROJECTS TO INFRASTRUCTURE REVOLVING LOAN FUND. The state water commission shall transfer any outstanding loans from the infrastructure revolving loan fund under section 61-02-78 to the infrastructure revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, after line 12, insert:

"SECTION 20. ESTIMATED INCOME - HIGH-LEVEL RADIOACTIVE WASTE FUND. The operating expenses line item and the estimated income line item in subdivision 1 of section 1 of this Act include \$20,000 from the high-level radioactive waste fund for reimbursing travel and other expenses of the high-level radioactive waste advisory council.

SECTION 21. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund – Continuing appropriation.

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
 - a. New or replacement of existing water treatment plants;
 - b. New or replacement of existing wastewater treatment plants;
 - c. New or replacement of existing sewer lines and water lines; and
 - d. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

Infrastructure revolving loan fund - Bank of North Dakota - Continuing appropriation.

1. The infrastructure revolving loan fund is a special fund in the state treasury administered by the Bank of North Dakota. The Bank shall use moneys in the fund to provide loans to political subdivisions for eligible infrastructure projects pursuant to subsections 6 and 7 and to provide loans to institutions of higher education for eligible infrastructure projects pursuant to subsection 8.
2. The Bank may adopt policies and establish guidelines to administer the loan program in accordance with this section, including policies to supplement and leverage the moneys in the fund and policies to allow participation by local financial institutions. A loan made from the fund must have an interest rate that does not exceed two percent per year. The maximum term of a loan for an infrastructure project under subsections 6 and 8 is thirty years, and the maximum term of a loan for an infrastructure project under subsection 7 is forty years.

3. All principal and interest payments received on loans made from the infrastructure revolving loan fund must be deposited into the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement under this section.
4. An applicant shall issue an evidence of indebtedness as authorized by law. An institution of higher education shall identify at least one funding source for the debt repayment, including:
 - a. Tuition or fee revenue collected by the institution of higher education;
 - b. Distributions of state aid received by the institution of higher education under chapter 15-18.2; or
 - c. Other sources of revenue.
5. In processing loan applications under this section, the Bank shall calculate the maximum loan amount available to a qualified applicant. Each applicant may have no more than twenty-five million dollars of outstanding loans from the fund for infrastructure projects under subsections 6 and 8. The Bank shall consider the ability of the applicant to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan. If an infrastructure project qualifies for funding through the state revolving fund established pursuant to chapters 61-28.1 and 61-28.2, the Bank shall verify the loan application is for the portion of the project that is ineligible to receive funding from the state revolving fund.
6. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Water treatment plants;
 - b. Wastewater treatment plants;
 - c. Sewer lines and water lines, including lift stations and pumping systems;
 - d. Water storage systems, including dams, water tanks, and water towers;
 - e. Storm water infrastructure, including curb and gutter construction;
 - f. Road and bridge infrastructure, including paved and unpaved roads and bridges;
 - g. Airport infrastructure;
 - h. Electricity transmission infrastructure;
 - i. Natural gas transmission infrastructure; and
 - j. Communications infrastructure, excluding fiber optic infrastructure.

7. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in the best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
 - a. Flood control;
 - b. Water supply; and
 - c. Water management.
8. Eligible infrastructure projects for institutions of higher education are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of the institution and are in the best interest of the public. Except for routine maintenance and repair projects, capital construction projects include:
 - a. Sewer lines and water lines;
 - b. Storm water infrastructure, including curb and gutter construction; and
 - c. Road infrastructure.

SECTION 22. AMENDMENT. Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-06. Lending and borrowing powers generally.

1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
2. The public finance authority may lend or transfer money to the Bank of North Dakota ~~under~~as follows:
 - a. Under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for

assistance under the revolving loan fund program established by chapter 61-28.2; and

- b. Under terms and conditions requiring the Bank to use the transferred proceeds to make loans for infrastructure projects that qualify for assistance under the infrastructure revolving loan fund established under section 6-09-49 and to use the transferred proceeds to support the resources trust fund. Bonds issued for this purpose are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. This section does not require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or replenish a related reserve fund. The bonds are not a debt of the Bank or the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. The obligation of the public finance authority with respect to the bonds must terminate and the bonds are no longer outstanding as of the date appropriated funds and reserves are insufficient to pay debt service on the bonds. In addition to providing funds for transfers to the Bank, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds and establish a reserve fund for the bonds.
3. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
4. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

SECTION 23. AMENDMENT. Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-10. Reserve fund.

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if

- the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.
2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
 3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.
 4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
 5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
 6. The industrial commission may determine that this section is inapplicable in whole or in part for bonds issued ~~under section 6-09.4-06~~ as follows:

- a. Under section 6-09.4-06 and as authorized by the sixty-sixth legislative assembly;

b. Under section 6-09.4-24; or ~~under~~

c. Under the public finance authority's state revolving fund program.

SECTION 24. Section 6-09.4-28 of the North Dakota Century Code is created and enacted as follows:

6-09.4-28. Debt service requirements - Infrastructure revolving loan fund - Resources trust fund.

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund to meet the debt service requirements for evidences of indebtedness issued by the authority to support the infrastructure revolving loan fund and the resources trust fund.

SECTION 25. AMENDMENT. Subsection 6 of section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

6. The governing body of any county may also by resolution adopted by a two-thirds vote dedicate the tax levy authorized by section 57-15-06.6 and subsection 5 of section 57-15-06.7 and may authorize and issue general obligation bonds to be paid by the dedicated levy for the ~~purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilities~~ purposes identified under section 57-15-06.6 and subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

SECTION 26. AMENDMENT. Section 21-03-19 of the North Dakota Century Code is amended and reenacted as follows:

21-03-19. Bonds - Terms.

Bonds issued under this chapter must be authorized by resolution, bear such date or dates, be in such denomination or denominations, be in such form, be subject to redemption with or without premium, and be subject to such other terms or conditions as in the judgment of the municipality are in the public interest of the municipality, and must provide that the last installment of principal falls due not more than twenty years from the date of the bonds or not more than thirty years for bonds sold to the entities under section 21-03-30. The requirements of this section apply to each new issue of bonds, or if so determined by the governing body, to the bonds of a new issue combined with all of the outstanding bonds of one or more designated issues of bonds previously issued and similarly payable from taxes or other sources of revenues, or both, as the case may be.

SECTION 27. AMENDMENT. Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

54-17-40. Housing incentive fund - Continuing appropriation - Report to budget section.

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.

2.
 - a. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least ~~twenty-five~~fifteen percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage.
 - b. The annual allocation plan must give ~~first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.~~
 - c. ~~The second priority in the annual allocation plan must be to provide housing for individuals and families of low or moderate income. For purposes of this second priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this second priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.~~
3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:
 - a. New construction, rehabilitation, or acquisition of a multifamily housing project;
 - b. Gap assistance, matching funds, and accessibility improvements;
 - c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
 - d. Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.
4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.
5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.
6. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.
7. ~~The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers.~~

- 8- Upon request, the housing finance agency shall report to the industrial commission regarding the activities of the housing incentive fund.
- 9-8. At least once per biennium, the housing finance agency shall provide a report to the budget section of the legislative management regarding the activities of the housing incentive fund. ~~The report must include the following:~~
 - a- ~~The overall number of units owned, master leased, or subsidized by political subdivisions or other employers of essential service workers; and~~
 - b- ~~A listing of projects approved and the number of units within those projects that provide housing for essential service workers.~~

SECTION 28. AMENDMENT. Section 57-15-06.6 of the North Dakota Century Code is amended and reenacted as follows:

57-15-06.6. County capital projects levy.

- 1. The board of county commissioners of each county may levy an annual tax not exceeding ten mills plus any voter-approved additional levy as provided in subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
 - 4- a. Constructing and equipping and maintaining structural and mechanical components of regional or county corrections centers or for the purpose of contracting for corrections center space capacity from another public or private entity.
 - 2- b. Acquiring real estate as a site for public parks and construction and equipping and maintaining structural and mechanical components of recreational facilities under section 11-28-06.
 - 3- c. Acquiring real estate as a site for county buildings and operations and constructing and equipping and maintaining structural and mechanical components of county buildings and property.
 - 4- d. Acquiring real estate as a site for county fair buildings and operations and constructing and equipping and maintaining structural and mechanical components of county fair buildings and property as provided in section 4-02-26.
 - 5- e. Acquiring and developing real estate, capital improvements, buildings, pavement, equipment, and debt service associated with financing for county supported airports or airport authorities.
 - 6- f. Expenditures for the cost of leasing as an alternative means of financing for any of the purposes for which expenditures are authorized under ~~subsections 4~~subdivisions a through ~~5e~~.
 - g. Improvement of the county road system, including the acquisition of land, construction of new paved and unpaved roads and bridges, replacement of existing paved and unpaved roads and bridges, and maintenance and repair of existing paved and unpaved roads and bridges.
- 2. Any voter-approved levy for the purposes specified in this section approved by the electors before January 1, 2015, remains effective through 2024 or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years.

SECTION 29. AMENDMENT. Section 57-47-02 of the North Dakota Century Code is amended and reenacted as follows:

57-47-02. County authorized to borrow - Term - Interest rate.

Whenever in the judgment of the board of county commissioners all taxes authorized to be levied in any one year for general or special county purposes are insufficient to carry on the primary governmental functions, or to pay the mandatory obligations imposed by law upon a county, then such a county may borrow money in such an amount as the board shall determine to be necessary to meet the deficiencies existing in its general or special funds, or to carry on primary governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a county may issue evidences of indebtedness, which must consist of an agreement by the county to pay a stated sum on a specified date, or on or before a specified date, not more than ~~five~~twenty years in the future, together with interest thereon at a rate or rates resulting in an average annual net interest cost not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public sale must comply with the procedures set out in chapter 21-03. There is no requirement for an advertisement for bids if an evidence of indebtedness is sold privately or to the state of North Dakota or any of its agencies or instrumentalities."

Page 6, after line 26, insert:

"SECTION 31. REPEAL. Section 61-02-78 of the North Dakota Century Code is repealed.

SECTION 32. PUBLIC FINANCE AUTHORITY - BOND ISSUANCE LIMITATION. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may issue up to \$500,000,000 of evidences of indebtedness, but not in an amount that would cause the repayments to exceed \$55,000,000 per biennium, for the purpose of supporting the infrastructure revolving loan fund and the resources trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the total evidences of indebtedness issued by the public finance authority, an amount equal to the outstanding principal balance of loans transferred under section 17 of this Act must be used to support the resources trust fund, and the remaining amount must be used to support the infrastructure revolving loan fund. The term of any evidences of indebtedness issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance."

Page 7, line 8, replace "\$14,000,000" with "\$18,000,000"

Page 7, line 11, replace "\$4,000,000" with "\$8,000,000"

Page 7, line 13, replace "a pilot project" with "pilot projects"

Page 7, line 14, replace "project" with "projects"

Page 8, after line 16, insert:

"SECTION 38. HEDGING STRATEGIES STUDY - BANK OF NORTH DAKOTA - REPORT TO LEGISLATIVE ASSEMBLY. During the 2019-20 interim, the Bank of North Dakota shall conduct a study on the use of various hedging strategies to protect the state from volatile swings in oil prices. Before January 15, 2021, the Bank of North Dakota shall report the results of its study to the appropriations committees of the sixty-seventh legislative assembly.

SECTION 39. LEGISLATIVE INTENT - LIGNITE RESEARCH FUND - LIGNITE LITIGATION. It is the intent of the sixty-sixth legislative assembly that at least \$500,000 of the funding in section 37 of this Act and any funding deposited in the lignite research fund related to successful litigation is available from the lignite research fund to be used to pay fees associated with lignite litigation that may be

brought by the state to protect and promote the continued development of lignite resources.

SECTION 40. EFFECTIVE DATE. Section 31 of this Act becomes effective July 1, 2021.

SECTION 41. EMERGENCY. Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$0	\$20,020,000	\$20,020,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$20,020,000	\$20,020,000
FTE	0.00	0.00	0.00	0.00
Industrial Commission				
Total all funds	\$40,752,193	\$45,027,118	\$415,870	\$45,442,988
Less estimated income	15,343,206	17,987,425	26,365	18,013,790
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198
FTE	110.25	112.25	0.00	112.25
Bank of North Dakota				
Total all funds	\$59,299,204	\$64,164,235	\$193,564	\$64,357,799
Less estimated income	59,299,204	64,164,235	193,564	64,357,799
General fund	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50
Housing Finance Agency				
Total all funds	\$44,530,239	\$47,374,675	\$47,216	\$47,421,891
Less estimated income	44,530,239	47,374,675	47,216	47,421,891
General fund	\$0	\$0	\$0	\$0
FTE	44.00	44.00	0.00	44.00
Mill and Elevator				
Total all funds	\$68,213,519	\$76,839,812	\$285,083	\$77,124,895
Less estimated income	68,213,519	76,839,812	285,083	77,124,895
General fund	\$0	\$0	\$0	\$0
FTE	153.00	155.00	2.00	157.00
Bill total				
Total all funds	\$212,795,155	\$233,405,840	\$20,961,733	\$254,367,573
Less estimated income	187,386,168	206,366,147	552,228	206,918,375
General fund	\$25,408,987	\$27,039,693	\$20,409,505	\$47,449,198
FTE	488.75	492.75	2.00	494.75

House Bill No. 1014 - Office of Management and Budget - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
High-level radioactive waste fund			\$20,000	\$20,000
Housing incentive fund			20,000,000	20,000,000
Total all funds	\$0	\$0	\$20,020,000	\$20,020,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$20,020,000	\$20,020,000
FTE	0.00	0.00	0.00	0.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Transfer to High-Level Radioactive Waste Fund ¹	Transfer to Housing Incentive Fund ²	Total Senate Changes
High-level radioactive waste fund	\$20,000		\$20,000
Housing incentive fund		\$20,000,000	20,000,000
Total all funds	\$20,000	\$20,000,000	\$20,020,000
Less estimated income	0	0	0
General fund	\$20,000	\$20,000,000	\$20,020,000
FTE	0.00	0.00	0.00

¹ One-time funding of \$20,000 is added from the general fund for a transfer to the high-level radioactive waste fund.

² One-time funding of \$20 million is added from the general fund for a transfer to the housing incentive fund.

House Bill No. 1014 - Industrial Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$22,014,084	\$23,296,820	\$287,630	\$23,584,450
Operating expenses	5,305,888	5,991,987	128,240	6,120,227
Capital assets		5,000,000		5,000,000
Grants - Bond payments	13,210,484	10,508,767		10,508,767
Contingencies	221,737	229,544		229,544
Total all funds	\$40,752,193	\$45,027,118	\$415,870	\$45,442,988
Less estimated income	15,343,206	17,987,425	26,365	18,013,790
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198
FTE	110.25	112.25	0.00	112.25

Department 405 - Industrial Commission - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Adjusts Funding for Operating Expenses ²	Adds Funding for Temporary Employees ³	Adds Funding for Radioactive Waste Council ⁴	Total Senate Changes
Salaries and wages	\$112,630		\$175,000		\$287,630
Operating expenses		\$108,240		\$20,000	128,240
Capital assets					
Grants - Bond payments					
Contingencies					
Total all funds	\$112,630	\$108,240	\$175,000	\$20,000	\$415,870
Less estimated income	6,365	0	0	20,000	26,365
General fund	\$106,265	\$108,240	\$175,000	\$0	\$389,505
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

² Funding is added for operating expenses associated with 2 contingent FTE positions that were authorized in the 2017-19 biennium and will continue in the 2019-21 biennium since the contingency was met.

³ One-time funding of \$175,000 from the general fund is added to hire temporary employees to record historical information to provide guidance to current and future employees.

⁴ One-time funding of \$20,000 from the high-level radioactive waste fund is added for reimbursing travel costs of the high-level radioactive waste advisory council. The amendment also includes a transfer of \$20,000 from the general fund to the high-level radioactive waste fund. The House did not include this funding.

This amendment also includes the following items related to the Industrial Commission:

- Appropriates \$26 million from the general fund during the 2017-19 biennium and

allows the funding to continue in the 2019-21 biennium to repay bonds issued by the Public Finance Authority. An emergency clause is included related to the appropriation. The House did not include this funding.

- Adjusts the transfer for administrative costs to provide a total transfer of \$1,172,603. The House provided for a transfer of \$1,150,782.
- Increases oil and gas tax revenue allocations to the oil and gas research fund for the 2019-21 biennium by \$8 million, from \$10 million to \$18 million for contracting with the Energy and Environmental Research Center for pilot projects relating to underground storage of produced natural gas. The House increased the allocations by \$4 million for this purpose.
- Amends provisions of law relating to the Public Finance Authority's authorization to issue bonds to support the infrastructure revolving loan fund and resources trust fund. The House did not amend these provisions of law.
- Clarifies the authority of counties to access loans from the infrastructure revolving loan fund. The House did not clarify the authority of counties to access loans from the infrastructure revolving loan fund.
- Authorizes the Public Finance Authority to issue up to \$500 million of bonds to support the infrastructure revolving loan fund and the resources trust fund with a term of 30 years and authorizes bond anticipation notes. The House did not include authorization for bonds.
- Identifies \$20,000 from the high-level radioactive waste fund for reimbursing travel and other expenses of the high-level radioactive waste advisory council. The House did not provide funding for the council.
- Authorizes counties to use property taxes levied for capital projects for county road projects and allows counties to borrow for up to 20 years when taxes are insufficient to meet the needs of the county, an increase from the current limit of 5 years. The House did not change the levy and bonding authority for counties.
- Provides legislative intent related to funding for lignite litigation expenses from the lignite research fund. The House did not include legislative intent for lignite litigation.

House Bill No. 1014 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Capital assets	\$810,000	\$1,510,000		\$1,510,000
Bank of North Dakota operations	58,489,204	62,654,235	\$193,564	62,847,799
Total all funds	\$59,299,204	\$64,164,235	\$193,564	\$64,357,799
Less estimated income	59,299,204	64,164,235	193,564	64,357,799
General fund	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Total Senate Changes
Capital assets		
Bank of North Dakota operations	\$193,564	\$193,564
Total all funds	\$193,564	\$193,564
Less estimated income	193,564	193,564
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

This amendment also includes the following items related to the Bank of North Dakota:

- Authorizes the Bank to extend a line of credit up to \$100 million to the infrastructure revolving loan fund to support new loans from the fund prior to the issuance of bonds by the Public Finance Authority. The House did not include a line of credit for

the infrastructure revolving loan fund.

- Requires the State Water Commission to transfer outstanding loans for water projects to the infrastructure revolving loan fund related to the repeal of a revolving loan fund designated for water projects. The repeal of the revolving loan fund is effective July 1, 2021. The House did not transfer outstanding loans for water projects or repeal the revolving loan fund designated for water projects.
- Amends North Dakota Century Code Section 6-09-49 relating to the infrastructure revolving loan fund to allow additional entities, including institutions of higher education, to obtain low-interest loans for infrastructure projects, and to expand the types of eligible infrastructure projects. The House did not expand the infrastructure revolving loan fund.
- Provides for the Bank to study hedging strategies related to the volatility of oil prices. The House did not include a study of hedging strategies.

House Bill No. 1014 - Housing Finance Agency - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$7,892,056	\$8,461,799	\$47,216	\$8,509,015
Operating expenses	4,743,355	5,346,276		5,346,276
Grants	31,794,828	33,466,600		33,466,600
HFA contingencies	100,000	100,000		100,000
Total all funds	\$44,530,239	\$47,374,675	\$47,216	\$47,421,891
Less estimated income	44,530,239	47,374,675	47,216	47,421,891
General fund	\$0	\$0	\$0	\$0
FTE	44.00	44.00	0.00	44.00

Department 473 - Housing Finance Agency - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Total Senate Changes
Salaries and wages	\$47,216	\$47,216
Operating expenses		
Grants		
HFA contingencies		
Total all funds	\$47,216	\$47,216
Less estimated income	47,216	47,216
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

This amendment also adds a section to amend Section 54-17-40 relating to the housing incentive fund to decrease the amount of funding designated for small communities and to remove the prioritization for essential service worker housing. The House did not amend the housing incentive fund.

House Bill No. 1014 - Mill and Elevator - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$39,308,519	\$46,292,812	\$285,083	\$46,577,895
Operating expenses	28,195,000	29,837,000		29,837,000
Contingencies	500,000	500,000		500,000
Agriculture promotion	210,000	210,000		210,000
Total all funds	\$68,213,519	\$76,839,812	\$285,083	\$77,124,895
Less estimated income	68,213,519	76,839,812	285,083	77,124,895
General fund	\$0	\$0	\$0	\$0
FTE	153.00	155.00	2.00	157.00

Department 475 - Mill and Elevator - Detail of Senate Changes

	Adds FTE Positions ¹	Total Senate Changes
Salaries and wages	\$285,083	\$285,083
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	\$285,083	\$285,083
Less estimated income	285,083	285,083
General fund	\$0	\$0
FTE	2.00	2.00

¹ Funding is added for 2 FTE positions, including 1 food safety position (\$155,012) and 1 utility worker position (\$130,071), to provide a total of 4 new FTE positions. The House added 2 FTE positions.

No other sections were added by the Senate related to the Mill and Elevator Association.

REPORT OF STANDING COMMITTEE

HB 1202: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **DO NOT PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1202 was placed on the Fourteenth order on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2090: Your conference committee (Sens. Kreun, Unruh, Piepkorn and Reps. Zubke, Bosch, M. Ruby) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1280 and place SB 2090 on the Seventh order.

SB 2090 was placed on the Seventh order of business on the calendar.

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

Shanda Morgan, Secretary