

## JOURNAL OF THE SENATE

## Sixty-sixth Legislative Assembly

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Bismarck, April 15, 2019

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

The prayer was offered by Pastor Bob Caranicas, Good Shepherd Lutheran Church, Bismarck.

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

A quorum was declared by the President.

## MOTION

**SEN. KLEIN MOVED** that HB 1021, which is on the Sixth order, be laid over one legislative day, which motion prevailed.

## MOTION

**SEN. KLEIN MOVED** that HB 1320, which is on the Sixth order, be rereferred to the **Energy and Natural Resources Committee**, which motion prevailed. Pursuant to Sen. Klein's motion, HB 1320 was rereferred.

## MOTION

**SEN. KLEIN MOVED** that HB 1202, which is on the Fourteenth order, be rereferred to the **Energy and Natural Resources Committee**, which motion prevailed. Pursuant to Sen. Klein's motion, HB 1202 was rereferred.

## MOTION

**SEN. KLEIN MOVED** that Sen. Kannianen replace Sen. Unruh on the Conference Committee on HB 1474, which motion prevailed on a voice vote.

## CONSIDERATION OF AMENDMENTS

**HB 1018, as engrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1517-1524 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 1018:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact two new sections to chapter 54-60, a new section to chapter 57-38, and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to a beyond visual line of sight unmanned aircraft system program, fund, and income tax credit; to provide exemptions; to provide for a legislative management study; to provide for a transfer; to provide for a report; 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 42 YEAS, 4 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; 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; Wardner

**NAYS:** Kannianen; Larsen, O.; Unruh; Vedaa

**ABSENT AND NOT VOTING:** Wanzek

Engrossed HB 1018, as amended, passed and the emergency clause was declared carried.

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#### CONSIDERATION OF AMENDMENTS

**HB 1003, as engrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1503-1517 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 1003:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact a new chapter to title 15 and sections 15-10-48.1 and 15-18.2-04.1 of the North Dakota Century Code, relating to the midwestern higher education compact, matching grants for the university of North Dakota school of law, and a cost of living factor for state aid to institutions; to amend and reenact sections 15-10-48, 15-10-49, 15-10-50, 15-18.2-02, 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating to matching grants for institutions under the control of the state board of higher education, state aid to institutions, the student financial assistance grant program, and the cancellation of unexpended appropriations; to repeal section 15-10-61 of the North Dakota Century Code, relating to the dual-credit instructor assistance program; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the conveyance of real property; to provide for report; 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 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; Wardner

**ABSENT AND NOT VOTING:** Wanzek

Engrossed HB 1003, as amended, passed and the emergency clause was declared carried.

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#### CONSIDERATION OF AMENDMENTS

**HCR 3010: SEN. DAVISON (Government and Veterans Affairs Committee) MOVED** that the amendments on SJ pages 1530-1531 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3010:** A concurrent resolution to amend and reenact section 9 of article III and section 16 of article IV of the Constitution of North Dakota, relating to constitutional amendments.

#### ROLL CALL

The question being on the final adoption of the amended resolution, which has been read, and has committee recommendation of DO NOT PASS. The roll was called and there were 1 YEAS, 45 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Larsen, O.

**NAYS:** 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; Vedaas; Wardner

**ABSENT AND NOT VOTING:** Wanzek

HCR 3010, as amended, was declared lost on a recorded roll call vote.

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# **MOTION**

**SEN. KLEIN MOVED** that SB 2017 be moved to the bottom of the Twelfth order, which motion prevailed.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2009, SB 2034.

## **HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009**

Page 1, line 2, remove "to create and enact a new chapter to title 4.1 of the"

Page 1, line 3, replace "North Dakota Century Code, relating to the agricultural products utilization commission" with "to create and enact a new section to chapter 60-01, a new section to chapter 60-02, and three new sections to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner, licensing and bonding for cash grain brokers, and records confidentiality for warehousemen and grain buyers"

Page 1, line 4, after "4.1-01-02" insert ", 49-02-01, subsection 1 of section 60-02-01, sections 60-02-02, 60-02-03, 60-02-04, 60-02-05.1, 60-02-07, 60-02-07.2, 60-02-09, 60-02-09.1, 60-02-10.1, 60-02-11, 60-02-14, 60-02-17, 60-02-24, 60-02-27, 60-02-35.1, 60-02-38, 60-02-40, 60-02-41, 60-02-42, 60-02.1-01, 60-02.1-02, 60-02.1-03, 60-02.1-04, 60-02.1-06, 60-02.1-07, 60-02.1-07.1, 60-02.1-08, 60-02.1-09, 60-02.1-11, 60-02.1-16, 60-02.1-17, 60-02.1-19, 60-02.1-22, 60-02.1-26, 60-02.1-27, 60-02.1-29, 60-02.1-30, 60-02.1-32, 60-02.1-33, 60-02.1-34, 60-02.1-35, 60-02.1-36, 60-02.1-37, 60-02.1-38, and 60-02.1-39, subsection 1 of section 60-04-01, and sections 60-04-03, 60-04-03.1, 60-04-03.2, 60-04-03.3, 60-04-04, 60-04-05, 60-04-06, 60-04-07, 60-04-08, 60-04-09, 60-04-10, 60-05-01, 60-05-02, 60-05-03, 60-05-04, 60-06-05, 60-06-06.1, 60-10-01, 60-10-02, 60-10-03, 60-10-05, 60-10-07, 60-10-08, 60-10-09, 60-10-10, 60-10-11, 60-10-12, 60-10-14, and 60-10-15"

Page 1, line 5, after "commissioner" insert ", moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner"

Page 1, line 5, remove "to repeal chapter 54-60.3 of the North Dakota Century Code,"

Page 1, line 6, remove "relating to the agricultural products utilization commission;"

Page 1, line 7, after "assembly" insert "to provide a penalty; to provide a continuing appropriation; and to provide for a transfer"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$12,372,949	\$1,278,273	\$13,651,222
Operating expenses	6,444,336	258,444	6,702,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774
Board of animal health	865,718	0	865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop harmonization board	75,000	0	75,000
Pipeline restoration and reclamation oversight program	200,000	0	200,000

Agricultural products utilization commission	<u>0</u>	<u>4,000,000</u>	<u>4,000,000</u>
Total all funds	\$30,196,777	\$5,594,117	\$35,790,894
Less estimated income	<u>21,087,676</u>	<u>4,279,056</u>	<u>25,366,732</u>
Total general fund	\$9,109,101	\$1,315,061	\$10,424,162
Full-time equivalent positions	73.00	4.00	77.00"

Page 2, line 27, replace "\$6,663,678" with "\$6,725,799"

Page 3, after line 16, insert:

**"SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, line 20, overstrike "five"

Page 3, line 20, replace "seventeen" with "ten"

Page 3, line 21, replace "eighty-seven" with "eight hundred twenty-nine"

Page 3, line 22, overstrike "eight"

Page 3, line 22, replace "twenty" with "thirteen"

Page 3, remove lines 23 through 31

Page 4, remove lines 1 through 31

Page 5, replace lines 1 through 24 with:

**"SECTION 11. AMENDMENT.** Section 49-02-01 of the North Dakota Century Code is amended and reenacted as follows:

**49-02-01. General jurisdiction of the public service commission over public utilities.**

The general jurisdiction of the commission shall extend to and include:

1. Contract and common carriers engaged in the transportation of persons and property, excluding air carriers.
2. Telecommunications companies engaged in the furnishing of telecommunications services as provided for in chapter 49-21.
3. Pipeline utilities engaged in the transportation of gas, oil, coal, and water.
4. Electric utilities engaged in the generation and distribution of light, heat, or power.
5. Gas utilities engaged in the distribution of natural, synthetic, or artificial gas.
6. All heating utilities engaged in the distribution of heat.
7. ~~Warehouse companies engaged in the marketing, storage, or handling of agricultural products.~~
8. All other public utilities engaged in business in this state or in any county, city, township, or other political subdivision of the state.

**SECTION 12.** A new section to chapter 60-01 of the North Dakota Century Code is created and enacted as follows:

**Definition.**

For purposes of this title, "commissioner" means the agriculture commissioner.

**SECTION 13. AMENDMENT.** Subsection 1 of section 60-02-01 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~"Commissioner"~~ Commissioner means the ~~public service-~~  
~~commission~~ agriculture commissioner.

**SECTION 14. AMENDMENT.** Section 60-02-02 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-02. ~~Commission~~Commissioner - Powers and duties.**

~~The commissioner has the powers and duties imposed by the provisions of enumerated under this chapter and the powers conferred herein devolve upon the commission.~~

**SECTION 15. AMENDMENT.** Section 60-02-03 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-03. Duties and powers of the ~~commission~~commissioner.**

~~The commission shall have the duty and power to~~ commissioner has the following powers and duties:

1. Exercise general supervision of the public warehouses of this state, including the handling, weighing, and storing of grain, and the management of public warehouses.
2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.
3. Examine and inspect, during ordinary business hours, any licensed warehouse, including all books, documents, and records.
4. Require the filing of reports pertaining to the operation of the warehouse.
5. Make all proper rules for carrying out and enforcing any law in this state regarding public warehouses.

**SECTION 16. AMENDMENT.** Section 60-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-04. Federal licensed inspector ~~--Appointed by commission.~~**

~~The commission~~ commissioner may employ a federal licensed inspector whose duties are ~~hereinafter prescribed and such~~ enumerated under this chapter and may employ other employees as ~~may be necessary~~ to carry out the provisions of this chapter.

**SECTION 17. AMENDMENT.** Section 60-02-05.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-05.1. Notice of procedures for resolving disputes over grain.**

A public warehouse shall post a notice containing the procedures specified in section 60-02-05 for resolving disputes. ~~The commission~~ commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each public warehouse. The public warehouseman shall post the notice in the grain inspection

room of the warehouse. The notice must specifically mention that the procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

**SECTION 18. AMENDMENT.** Section 60-02-07 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-07. Public warehouse license - Fee - Financial statement.**

A license must be obtained from the ~~commission~~commissioner for each public warehouse in operation in this state.

1. a. ~~The commission shall stagger by lot the expiration date of all licenses issued for the period beginning August 1, 2015, so that one-half of all the licenses issued expire on July 31, 2016, and one-half of all the licenses issued expire on July 31, 2017. Thereafter, all~~ All licenses issued under this section must be for a period of two years and terminate on the thirty-first day of July in the year of expiration.
- b. (1) Notwithstanding the provisions of subdivision a, the ~~commission~~commissioner shall license a warehouse annually, for the first six years of the warehouse's operation.
- (2) An initial annual license application that becomes effective on or after June first does not expire until July thirty-first of the following calendar year.
2. No license may describe more than one public warehouse nor grant permission to operate any public warehouse other than the one described.
3. a. The annual license fee for a public warehouse is:
  - (1) ~~Three~~Four hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];
  - (2) ~~Four~~Five hundred fifty dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and
  - (3) ~~Five~~Six hundred fifty dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].
- b. The biennial license fee for a public warehouse is:
  - (1) ~~Six~~Seven hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];
  - (2) ~~Nine hundred~~One thousand dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and
  - (3) ~~One thousand one~~two hundred dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].
- c. An application for an annual license renewal that is received after July fifteenth must include an additional one hundred dollar fee per warehouse. An application for a biennial license renewal that is

received after July fifteenth must include an additional two hundred dollar fee per warehouse.

4. If a public warehouseman operates two or more warehouses in the same city or siding, in conjunction with each other and with the same working force, and keeps one set of books and records for all such warehouses, and issues one series of scale tickets, warehouse receipts, checks, and credit-sale contracts for the grain stored and purchased therein, only one license is required for the operation of all such warehouses. When two or more warehouses are operated under one license, the license fee is based upon the combined bushel capacity of the warehouses.
5. If required to obtain United States department of agriculture approval of the ~~commission~~commissioner's warehouse inspection program, the ~~commission~~commissioner may require that the applicant submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this subsection is a confidential trade secret and is not a public record.

**SECTION 19. AMENDMENT.** Section 60-02-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-07.2. Receiving stations.**

A licensed public warehouseman may establish a receiving station without a separate warehouse license for that facility if all of the following conditions are met:

1. The station is colocated with another licensed public warehouse, the operator of which will take delivery of the grain on behalf of the warehouseman who established the receiving station.
2. The storage space used by the receiving station is used solely by the receiving station and is not licensed as part of the warehouse that is located at that site.
3. The grain taken in by the receiving station is not commingled with other grain at that site.
4. The warehouseman establishing the station requests and receives ~~commission~~ permission ~~from the commissioner~~ to increase licensed capacity to include the space to be used at the receiving station.
5. Grain received at the receiving station is recorded on scale tickets issued by the warehouseman who established the station and is covered by that warehouseman's bond.
6. Warehouse-receipted grain received at the receiving station is available for redelivery to the receipt holder at that location even if the station has been closed. A charge for redelivery must be stated in the warehouseman's redelivery policy.

The storage space used by a receiving station need not be physically disconnected from the facilities of the other licensed warehouse located at that site.

**SECTION 20. AMENDMENT.** Section 60-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-09. Bond filed by public warehouseman.**

Before any license is effective for any public warehouseman under this chapter, the applicant for the license shall file a bond with the ~~commission~~commissioner which must:

1. Be in a sum not less than five thousand dollars for any one warehouse.

2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commissioner~~ commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.
3. Run to the state of North Dakota for the benefit of all persons storing or selling grain in that warehouse.
4. Be conditioned:
  - a. For the faithful performance of the licensee's duties as a public warehouseman.
  - b. For compliance with the provisions of law and the rules of the ~~commissioner~~ commissioner relating to the storage and purchase of grain by such warehouseman.
5. Specify the location of each public warehouse intended to be covered by such bond.
6. Be for the specific purpose of:
  - a. Protecting the holders of outstanding receipts.
  - b. Covering the costs incurred by the ~~commissioner~~ commissioner in the administration of chapter 60-04 in the event of the licensee's insolvency.
7. Not accrue to the benefit of any person entering into a credit-sale contract with a public warehouseman.
8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commissioner~~ commissioner shall set the amount of the bond and may require an increase in the amount of any bond, from time to time, as the ~~commissioner~~ commissioner deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commissioner~~ commissioner, and authorized to do business within the state. The ~~commissioner~~ commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond ~~when if, in its~~ the ~~commissioner's~~ commissioner's judgment, the cash, negotiable instrument, or personal surety bond properly will protect the holders of outstanding receipts. One bond only may be given for any line of elevators, mills, or warehouses, owned, controlled, or operated by one individual, firm, corporation, or limited liability company, and the bond must be construed to cover ~~such~~ the elevators, mills, or warehouses, as a whole and not a specific amount for each.

**SECTION 21. AMENDMENT.** Section 60-02-09.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-09.1. Bond cancellation - Release of surety.**

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commissioner~~ commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the warehouseman files a new bond at least thirty days before liability ceases, the ~~commissioner~~ commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commissioner~~ commissioner. ~~When if~~ When a license is so suspended, the warehouseman



shall give notice of such suspension to each receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse that the grain must be removed from the warehouse or ~~the~~ the grain will be priced and redeemed in cash in accordance with section 60-02-41.

**SECTION 22. AMENDMENT.** Section 60-02-10.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-10.1. Revocation and suspension.**

The ~~commission~~ commissioner may suspend or revoke the license of any warehouseman for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a warehouseman must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license the warehouseman may, upon the ~~commission's~~ commissioner's approval, operate the warehouse and purchase or redeliver grain previously received, but may not receive additional grain for purchase, storage, shipping, or processing. Grain may be sold only with the prior approval of the ~~commission~~ commissioner.

**SECTION 23. AMENDMENT.** Section 60-02-11 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-11. Scale ticket - Contents - Conversion.**

1. a. Every public warehouseman, upon receiving grain into the warehouse, shall issue a uniform scale ticket for each load of grain received. The scale tickets must be numbered consecutively, and one copy of each ticket must be retained and remain as a permanent record. The original ticket must be delivered to the person from whom the grain is received, upon receipt of each load of grain.
- b. All scale tickets must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts, within forty-five days after the grain is delivered to the warehouse, unless:
  - (1) The person to whom the scale ticket is issued signs a form waiving all rights to trust benefits under section 60-04-03.1;
  - (2) The form identifies by number each scale ticket to which the waiver applies; and
  - (3) The form is signed by the warehouseman.
- c. The ~~commission~~ commissioner shall prepare the waiver form required by subdivision b and make the form available to each warehouse.
- d. The warehouseman shall keep one copy of the signed waiver form with the records of the warehouse, provide one copy to the person who was issued the scale ticket and signed the form, and file one copy with the ~~commission~~ commissioner.
2. Nothing in this chapter requires a warehouseman to receive grain for storage. A warehouseman shall publish and post, in a conspicuous place in the warehouse, a publication identifying whether storage will be available to patrons or whether grain will be accepted via cash or a credit-sale contract arrangement.

**SECTION 24. AMENDMENT.** Section 60-02-14 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-14. Warehouse receipts - Copy.**

Provision ~~shall~~must be made for a stub record or copy of each warehouse receipt issued by a warehouseman, showing:

1. The serial number and date of receipt.
2. The kind and grade of grain.
3. The dockage and net weight of the grain.

The record or copy ~~shall~~must remain in the possession of the warehouseman for inspection by the ~~commission~~commissioner and persons properly interested.

**SECTION 25. AMENDMENT.** Section 60-02-17 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-17. Warehouse and storage contract - Storage rates - Terminal delivery.**

1. A warehouse receipt must contain, either on its face or reverse side, the following warehouse and storage contract:

This grain is received, insured, and stored subject to the laws and rules of the state of North Dakota, the terms of this contract, and the charges and conditions stated herein and as filed with the North Dakota ~~public service commission~~agriculture commissioner. Upon surrender of this receipt and payment or tender of all applicable charges, the amount, kind, and grade of grain identified in this receipt will be delivered to the person named above or the person's order as rapidly as due diligence, care, and prudence will permit. At the option of the holder of this receipt, the amount, kind, and grade of grain for which this receipt is issued, upon demand, must be delivered back to the holder at any terminal point customarily shipped to, or at the place where received, upon the payment of any charges for receiving, handling, storage, and insurance and in case of terminal delivery, the payment in addition to the above of the regular freight charges on the gross amount called for by this ticket or in lieu thereof, a receipt issued by a bonded warehouse or elevator company doing business at the terminal point. This receipt does not require the delivery of the identical grain specified herein, but an equal amount of grain of the same kind and grade must be delivered.

2. A warehouseman shall publish and post, in a conspicuous place in its warehouse, the fees that will be assessed for receiving, storing, processing, or redelivering grain and the termination date of its warehouse receipts. This publication must be filed with the ~~commission~~commissioner as a part of the warehouse license process or annual renewal. The fees and termination date must be stated on the warehouse receipt issued for the grain. The fees or termination date may be changed upon filing a revised publication with the ~~commission~~commissioner.

**SECTION 26. AMENDMENT.** Section 60-02-24 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-24. Reports to be made by public warehouseman - Penalty for failure.**

Each licensed and bonded public warehouseman shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commission~~commissioner. The report must contain or be verified by a written declaration ~~that it~~the report is made under the penalties of perjury. The report may be called for more frequently if the ~~commission~~commissioner deems it necessary.

Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commissioner~~ commissioner may make the information available for use by other governmental entities, but the ~~commissioner~~ commissioner may not release the information in a manner that jeopardizes the confidentiality of individual licensees.

2. File the report with the ~~commissioner~~ commissioner not later than the last day of the following month, and failure to file this report promptly will be considered cause for revoking the warehouse license after due notice and hearing.
3. Keep a separate account of the grain business, if the warehouseman is engaged in handling or selling any other commodity, and under no circumstances ~~shall~~ may the grain account and other accounts be mixed.

The ~~commissioner~~ commissioner may refuse to renew a license to any public warehouseman who fails to make a required report.

**SECTION 27. AMENDMENT.** Section 60-02-27 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-27. Federal grades to control - Grades to be posted.**

All public warehousemen shall purchase and store grain except dry edible beans in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in rules and regulations applicable thereto adopted by federal officials pursuant to law. ~~They~~ Public warehousemen shall post in a conspicuous place in ~~their~~ the public warehousemen's warehouse the official grades so established and also any change that may be made from time to time. Warehousemen of dry edible beans shall purchase, store, and deliver beans in accordance with ~~their~~ the policy of the warehousemen which must be filed with the ~~commissioner~~ commissioner and posted in a conspicuous place in ~~their~~ the warehouse of the public warehousemen. Other grading standards may be used if mutually agreed to in writing by the warehouseman and the owner of the grain. However, the owner may demand the use of federal grading standards. The ~~commissioner~~ commissioner, after hearing, may prohibit the use of nonfederal grades.

**SECTION 28. AMENDMENT.** Section 60-02-35.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-35.1. Insurance - Cancellation - Suspension of license.**

An insurance company shall give at least sixty days' notice to the ~~commissioner~~ commissioner and the insured by certified mail return receipt requested before cancellation of an insurance policy required in section 60-02-35. Unless the warehouseman files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commissioner~~ commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commissioner~~ commissioner. ~~When~~ If a license is so suspended, the warehouseman shall give notice of ~~such~~ the suspension to each receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse ~~that the grain must be removed from the warehouse or~~ the grain will be priced and redeemed in cash in accordance with section 60-02-41.

**SECTION 29. AMENDMENT.** Section 60-02-38 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-38. Refund of license fee by ~~commissioner~~ commissioner.**

~~When~~ If requested in writing, the ~~commissioner~~ commissioner shall refund the license fee of a public warehouse, or so much as in ~~its~~ the commissioner's judgment is just and reasonable, ~~when~~ if satisfactory proof is furnished ~~that the warehouse has~~

been transferred to some other person, and the new owner has obtained a license for the same warehouse for the unexpired period for which the original license was issued. ~~When~~If a warehouse is destroyed by fire or other cause, the license fee may be prorated as the ~~commission~~commissioner may determine.

**SECTION 30. AMENDMENT.** Section 60-02-40 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-40. Transfer of warehouse - Redemption of receipts.**

~~Whenever~~If a public warehouseman desires to transfer a warehouse, either by sale or lease to any other individual, firm, or corporation, the warehouseman shall:

1. Notify the ~~commission~~commissioner first of ~~its~~the warehouseman's intention to transfer the warehouse, giving the name and address of the proposed lessee or purchaser.
2. Furnish a statement of all proper claims that may be filed or pending against the warehouseman pertaining to the storage, inspection, and marketing of grain, together with a statement of:
  - a. The number of bushels [cubic meters] of grain of each kind and grade in store in the warehouse;
  - b. The number and amount of receipts outstanding; and
  - c. The names and addresses of the receiptholders.
3. Serve notice by registered or certified mail, at least thirty days before the transfer, upon all receiptholders having claims against the warehouse to call for delivery of the grain covered by the receipts, and to pay all storage charges due, the warehouseman in such case to make no charge for redelivery. The ~~commission~~commissioner may waive the thirty-day notice period upon receipt of written consent of all receiptholders.
4. Transfer all stored grain undelivered at the expiration of such thirty-day period to ~~its~~the warehouseman's successor, if licensed, or to the nearest licensed warehouse for restorage, taking receipts for the same in favor of the owner of the grain so transferred.
5. Surrender to the ~~commission~~its commissioner ~~the warehouseman's~~ license for cancellation ~~and at such~~, at which time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission~~, ~~whereupon, it~~commissioner, at which time, the commissioner, first being duly satisfied that all the outstanding receipts have been redeemed, or that the redemption ~~thereof~~of all outstanding receipts has been provided for, the ~~commission~~commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any warehouse will be recognized by the ~~commission~~commissioner except when made in accordance with the provisions of this section.

**SECTION 31. AMENDMENT.** Section 60-02-41 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-41. Going out of business - Redemption of receipts.**

~~When~~If a public warehouseman ceases business through the destruction of a warehouse by fire or other cause, or through insolvency, ~~such~~the warehouseman shall redeem all outstanding unconverted scale tickets or warehouse receipts at the price prevailing on the date the warehouse was destroyed or closed because of

insolvency. The holder of such receipts, upon due notice, ~~must~~shall accept this price and surrender the receipts. Any public warehouseman who voluntarily ceases business or fails to renew an existing warehouse license or whose warehouse license is revoked shall notify the ~~commission~~commissioner and all outstanding receiptholders of such closing and redeem all outstanding unconverted scale tickets or warehouse receipts at the price prevailing on the date the warehouse closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the unconverted scale ticket or warehouse receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~must be settled in cash and priced on the market on the day of closing.

**SECTION 32. AMENDMENT.** Section 60-02-42 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-42. Cease and desist.**

~~Whenever~~If an entity engages in an activity or practice ~~that is~~contrary to the provisions of this chapter or related rules, the ~~commission~~commissioner, upon ~~its~~the ~~commissioner's~~own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the ~~commission~~commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

**SECTION 33.** A new section to chapter 60-02 of the North Dakota Century Code is created and enacted as follows:

**Release of records - Confidentiality.**

1. As a condition of licensure under section 60-02-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:
  - a. The issuance or renewal of a public warehouse license; or
  - b. An investigation after issuance or renewal of a public warehouse license.
2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:
  - a. The issuance or renewal of a public warehouse license; or
  - b. An investigation after issuance or renewal of a public warehouse license.
3. Any information obtained by the commissioner under this section is confidential and may be provided only:
  - a. To federal authorities in accordance with federal law;
  - b. To the attorney general, state agencies, and law enforcement agencies, for use in the pursuit of official duties; and
  - c. As directed by an order of a court pursuant to a showing of good cause.

**SECTION 34. AMENDMENT.** Section 60-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-01. Definitions.**

In this chapter, unless the context or subject matter otherwise requires:

1. "CommissionerCash grain broker" means a person who:
  - a. Is involved in the negotiation of cash grain transactions in the state;
  - b. Receives compensation from at least one party to the transaction;  
and
  - c. Does not take title to the grain and is not under any financial or contractual obligation related to the transaction.
2. "Commissioner" means the public-service-commissionagriculture commissioner.
- 2-3. "Credit-sale contract" means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale and which contains the notice provided in subsection 7 of section 60-02.1-14. If a part of the sale price of a contract for the sale of grain is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale, only such part of the contract is a credit-sale contract.
- 3-4. "Facility" means a structure in which grain purchased by a grain buyer is received or held.
- 4-5. "Facility-based grain buyer" means a grain buyer who operates a facility licensed under the United States Warehouse Act [7 U.S.C. 241-273] where grain is received.
- 5-6. "Grain" means wheat, durum, oats, rye, barley, buckwheat, flaxseed, speltz, safflower, sunflower seeds, tame mustard, peas, beans, soybeans, corn, clover, millet, alfalfa, and any other commercially grown grain or grass seed. "Grain" does not include grain or grass seeds owned by or in the possession of the grain buyer which have been cleaned, processed, and specifically identified for an intended use of planting for reproduction and for which a warehouse receipt has not been issued.
- 6-7. "Grain buyer" means any person, other than a public warehouseman as defined in chapter 60-02, who purchases or otherwise merchandises grain for compensation. The term does not include:
  - a. A producer of grain who purchases grain from other producers to complete a carload or truckload in which the greater portion of the load is grain grown by the producer or on-farm feedlot operations in which at least fifty percent of the livestock is owned by the owner of the farm.
  - b. A person who is permitted to sell seed under chapter 4.1-53, if that person buys grain only for processing and subsequent resale as seed.
  - c. A person who is an authorized dealer or agent of a seed company holding a permit in accordance with section 4.1-53-38.
- 7-8. "Grain processor" means an entity that purchases grain to process into end products that are of a substantially different makeup or nature than the original grain.
9. "Noncredit-sale contract" means a contract for the sale of grain other than a credit-sale contract.

- 8-10. "Receipts" means scale tickets, checks, or other memoranda given by a grain buyer for, or as evidence of, the receipt or sale of grain except when such memoranda was received as a result of a credit-sale contract.
- 9-11. "Roving grain buyer" means a grain buyer who does not operate a facility where grain is received.

**SECTION 35. AMENDMENT.** Section 60-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-02. ~~Commission~~Commissioner - Powers and duties.**

The ~~powers and~~ duties imposed and the powers conferred by this chapter ~~devolve upon the commission~~of the commissioner are enumerated in this chapter.

**SECTION 36. AMENDMENT.** Section 60-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-03. Duties and powers of the ~~commission~~commissioner.**

The ~~commission~~commissioner has the duty and power to:

1. Exercise general supervision of grain buyers of this state.
2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.
3. Examine and inspect, during ordinary business hours, any books, documents, and records.
4. Make all proper rules for carrying out and enforcing any law in this state regarding grain buyers.

**SECTION 37. AMENDMENT.** Section 60-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-04. Federal licensed inspector ~~-Appointed by commission.~~**

The ~~commission~~commissioner may employ a federal licensed inspector whose duties are hereinafter prescribed, and such ~~enumerated in this chapter and~~ may employ other employees as ~~may be~~ necessary to carry out the provisions of this chapter.

**SECTION 38. AMENDMENT.** Section 60-02.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-06. Notice of procedures for resolving disputes over grain.**

A facility-based grain buyer shall post a notice containing the procedures specified in section 60-02.1-05 for resolving disputes. The ~~commission~~commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each facility-based grain buyer. The facility-based grain buyer shall post the notice in the grain inspection room of the facility. The notice must specifically mention that the procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

**SECTION 39. AMENDMENT.** Section 60-02.1-07 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-07. Grain buyer license - How obtained - Fee - Financial statement.**

Grain buyers ~~must~~shall obtain an annual license from the ~~commission~~commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. A facility-based grain buyer ~~must~~shall obtain a license for each receiving location operated in the state. If a grain buyer operates two or more facilities in the same city or siding, in conjunction with each other and with the same working force, and where but one set of books and records is kept for all such facilities, and scale tickets and checks of but one series are issued for the grain, purchased, only one license is required for the operation of all such facilities. The annual license fee for a facility-based grain buyer is ~~three~~four hundred dollars and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee per receiving location.

If required to obtain United States department of agriculture approval of the ~~commission's~~commissioner's grain buyer inspection program, the ~~commission~~commissioner may require that grain buyers submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this section is a confidential trade secret and is not a public record.

**SECTION 40. AMENDMENT.** Section 60-02.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-07.1. Roving grain buyer license - How obtained - Fee.**

Roving grain buyers that purchase, solicit, merchandise, or take possession of grain in this state ~~must~~shall obtain an annual license from the ~~commission~~commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. The annual license fee for a roving grain buyer is ~~two~~three hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee.

**SECTION 41.** A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

**Cash grain broker license - Application - Bond - How obtained - Fee - Report - Disclosure.**

1. Before conducting business in the state, a cash grain broker must submit an application to obtain an annual license from the commissioner. To conduct business in the state, a cash grain broker must also register and be in good standing with the secretary of state. Except as provided in this section, each license expires on July thirty-first of each year. When a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. The annual license fee of a cash grain broker is two hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee. A license issued under this section is not transferable.
2. An application for licensure must include:
  - a. The name under which the applicant intends to conduct business in the state as a cash grain broker;
  - b. The name of each partner if the cash grain broker is in a partnership;
  - c. The name of each corporate officer and the state of incorporation if the cash grain broker is a corporation;



- d. The name of each manager and the state of organization if the cash grain broker is a limited liability company;
  - e. The mailing address of the applicant; and
  - f. The location of the principal place of business of the applicant.
- 3. The commissioner may refuse to issue, renew, or may revoke a license if:
  - a. The licensee or applicant has been convicted of a criminal offense;
  - b. The licensee or applicant has failed to comply with the requirements of this section;
  - c. The commissioner has evidence the licensee negotiated in bad faith; or
  - d. Any other reason determined by the commissioner.
- 4. A licensed cash grain broker must submit a monthly report to the commissioner by the tenth day of each month. The report must include:
  - a. The total volume of each commodity brokered in the preceding month; and
  - b. The name and contact information of any buyer who had more than two hundred fifty thousand dollars in total purchases in transactions brokered by the cash grain broker during the preceding month.
- 5. A licensed cash grain broker must notify each potential commodity seller of the identity of the potential commodity buyer before the final confirmation of the transaction.
- 6. Before a license is effective for a cash grain broker under this section, the licensee or applicant must file a bond with the commissioner for ten thousand dollars.

**SECTION 42.** A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

**Grain processor license - Application - Bond - How obtained - Fee - Report - Disclosure.**

- 1. Before conducting business in the state, a grain processor must submit an application to obtain an annual license from the commissioner. To conduct business in the state, a grain processor must also register and be in good standing with the secretary of state. Except as provided in this section, each license expires on July thirty-first of each year. When a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. The annual license fee of a grain processor is two hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee. A license issued under this section is not transferable.
- 2. An application for licensure must include:
  - a. The name under which the applicant intends to conduct business in the state as a grain processor;
  - b. The name of each partner if the grain processor is in a partnership;
  - c. The name of each corporate officer and the state of incorporation if the grain processor is a corporation;

- d. The name of each manager and the state of organization if the grain processor is a limited liability company;
- e. The mailing address of the applicant; and
- f. The location of the principal place of business of the applicant.
- 3. The commissioner may refuse to issue, renew, or may revoke a license if:
  - a. The licensee or applicant has been convicted of a criminal offense;
  - b. The licensee or applicant has failed to comply with the requirements of this section;
  - c. The commissioner has evidence the licensee negotiated in bad faith; or
  - d. Any other reason determined by the commissioner.
- 4. A licensed grain processor must submit a monthly report to the commissioner by the tenth day of each month. The report must include the total volume of each commodity processed in the preceding month.
- 5. Before a license is effective for a grain processor under this section, the licensee or applicant must file a bond with the commissioner for ten thousand dollars.

**SECTION 43. AMENDMENT.** Section 60-02.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-08. Bond filed by grain buyer.**

Before any license is effective for any grain buyer under this chapter, the applicant for the license shall file a bond with the ~~commission~~commissioner which must:

- 1. Be in a sum not less than ~~five~~ten thousand dollars.
- 2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commission~~commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.
- 3. Run to the state of North Dakota for the benefit of all persons selling grain to or through the grain buyer.
- 4. Be conditioned:
  - a. For the faithful performance of the licensee's duties as a grain buyer.
  - b. For compliance with the provisions of law and the rules of the ~~commission~~commissioner relating to the purchase of grain by such grain buyer.
- 5. For facility-based grain buyers, specify the location of each facility intended to be covered by the bond.
- 6. Be for the specific purpose of:
  - a. Protecting the sellers of grain.
  - b. Covering the costs incurred by the ~~commission~~commissioner in the administration of the licensee's insolvency.

7. Not accrue to the benefit of any person entering into a credit-sale contract with a grain buyer.
8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commission~~commissioner may require an increase in the amount of any bond, from time to time, as ~~if the commissioner~~deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commission~~commissioner, and authorized to do business within the state. The ~~commission~~commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond when, in ~~if the commissioner's~~ judgment, cash, a negotiable instrument, or a personal surety bond properly will protect the holders of outstanding receipts. Only one bond may be required for any series of facilities operated by a facility-based grain buyer, and the bond must be construed to cover those facilities as a whole and not a specific amount for each.

**SECTION 44. AMENDMENT.** Section 60-02.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-09. Bond cancellation - Release of surety.**

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commission~~commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the grain buyer files a new bond at least thirty days before liability ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commission~~commissioner.

**SECTION 45. AMENDMENT.** Section 60-02.1-11 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-11. Revocation and suspension.**

The ~~commission~~commissioner may suspend or revoke the license of any grain buyer for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a grain buyer must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license a facility-based grain buyer, upon the ~~commission's~~commissioner's approval, may operate its facility and purchase or redeliver grain previously received, but may not receive additional grain for purchase, shipping, or processing. Grain may be sold only with the prior approval of the ~~commission~~commissioner.

**SECTION 46. AMENDMENT.** Section 60-02.1-16 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-16. Records required to be kept by grain buyers.**

Each grain buyer shall keep such accounts, records, and memoranda concerning the buyer's dealing as such grain buyer as from time to time may be required by the ~~commission~~commissioner and shall make such reports of purchases of grain as may be required by the rules ~~made~~adopted by the ~~commission~~commissioner. The ~~commission~~commissioner at all times ~~shall~~must have access to such accounts, records, and memoranda.

**SECTION 47. AMENDMENT.** Section 60-02.1-17 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-17. Reports to be made by grain buyers - Penalty for failure.**

Each licensed and bonded grain buyer shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commission~~commissioner. The report must contain or be verified by a written declaration ~~that the report is~~ made under the penalties of perjury. The report may be called for more frequently if the ~~commission~~commissioner deems it necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commission~~commissioner may make this information available for use by other governmental entities, but the information may not be released by those entities in a manner that jeopardizes the confidentiality of individual licensees.
2. File the report with the ~~commission~~commissioner not later than the last day of the following month. Failure to file this report promptly will be considered cause for revoking the grain buyer license after due notice and hearing.
3. Keep a separate account of the grain business, if the grain buyer is engaged in handling or selling any other commodity, and under no circumstances may the grain account and other accounts be mixed.

The ~~commission~~commissioner may refuse to renew a license to any grain buyer who fails to make a required report.

**SECTION 48. AMENDMENT.** Section 60-02.1-19 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-19. Federal grades to control - Grades to be posted.**

All grain buyers shall purchase grain, except dry edible beans, in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in applicable rules and regulations ~~applicable thereto~~ adopted by federal officials pursuant to law. A facility-based grain buyer shall post in a conspicuous place in the buyer's facility the official grades so established and also any change that may be made from time to time. A grain buyer of dry edible beans shall purchase and deliver beans in accordance with the buyer's policy, which must be filed with the ~~commission~~commissioner and, if applicable, posted in a conspicuous place in the buyer's facility. Other grading standards may be used if mutually agreed to in writing by the grain buyer and the owner of the grain. However, the owner may demand the use of federal grading standards. After hearing, the ~~commission~~commissioner may prohibit the use of nonfederal grades.

**SECTION 49. AMENDMENT.** Section 60-02.1-22 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-22. Insurance - Cancellation - Suspension of license.**

An insurance company shall give at least sixty days' notice to the ~~commission~~commissioner and the insured by registered mail return receipt requested before cancellation of an insurance policy required in section 60-02.1-21. Unless the grain buyer files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commission~~commissioner.

**SECTION 50. AMENDMENT.** Section 60-02.1-26 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-26. Transfer of facility - Redemption of receipts.**

~~Whenever~~If a facility-based grain buyer desires to transfer a facility, either by sale or lease to any other individual, firm, or corporation, the grain buyer shall:

1. Notify the ~~commission~~commissioner first of its intention to transfer the facility, giving the name and address of the proposed lessee or purchaser.
2. Provide related information as may be required by the ~~commission~~commissioner.
3. Surrender to the ~~commission~~commissioner the grain buyer's license for cancellation and at that time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission~~commissioner, whereupon, it first being duly satisfied that all the outstanding receipts have been redeemed, or that the redemption thereof has been provided for, the ~~commission~~commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any facility will be recognized by the ~~commission~~commissioner except when made in accordance with the provisions of this section.

**SECTION 51. AMENDMENT.** Section 60-02.1-27 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-27. Going out of business - Redemption of receipts.**

~~When~~If a facility-based grain buyer ceases business through closure, the destruction of a facility by fire or other cause, or through insolvency, ~~such~~the grain buyer shall redeem all outstanding receipts at the price prevailing on the date the facility was closed, destroyed, or became insolvent. The holder of ~~such~~the receipts, upon due notice, ~~must~~shall accept this price and surrender the receipts. Any facility-based grain buyer who voluntarily ceases business or fails to renew an existing grain buyer license or whose grain buyer license is revoked shall notify the ~~commission~~commissioner and all receiptholders of such closing and redeem all such receipts at the price prevailing on the date the business closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~must be settled in cash and priced on the market on the day of closing.

**SECTION 52. AMENDMENT.** Section 60-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-29. Appointment of ~~commission~~commissioner.**

Upon the insolvency of any roving grain buyer, the ~~commission~~commissioner shall apply to the district court of Burleigh County for authority to take all action necessary to act as trustee of the trust fund described in section 60-02.1-30. If the insolvency involves a facility-based grain buyer, application must be to the district court of a county in which the licensee operates a licensed facility. Upon notice to the licensee as the court prescribes, but not exceeding twenty days, or upon waiver of notice in writing by the licensee, the court shall hear and determine the application in a summary manner. If the court determines that the licensee is insolvent within the meaning of this chapter and that it would be in the best interests of the receiptholders that the ~~commission~~commissioner secure and execute the trust, the court shall issue an order granting the application, without bond, and the ~~commission~~commissioner shall proceed to exercise ~~its~~the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~commissioner's application, the court may issue ex parte a temporary order to preserve or protect the assets of the trust fund until the court issues its order granting or denying the application.

**SECTION 53. AMENDMENT.** Section 60-02.1-30 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-30. Trust fund established.**

Upon the insolvency of any licensee, a trust fund must be established for the benefit of noncredit-sale receiptholders and to pay the costs incurred by the ~~commission~~commissioner in the administration of the insolvency. The trust fund must consist of the following:

1. Nonwarehouse receipt grain of the insolvent licensee held in storage or the proceeds obtained from the conversion of such grain.
2. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee must be remitted to the ~~commission~~commissioner and included in the trust fund.
3. The proceeds of insurance policies on destroyed grain.
4. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for damages upon bond given by the licensee to ensure faithful performance of the duties of a licensee.
5. The claim for relief, and proceeds ~~therefrom~~from the claim for relief, for the conversion of any grain stored in the warehouse.
6. Unencumbered accounts receivable for grain sold prior to the filing of the claim that precipitated an insolvency.
7. Unencumbered equity in grain hedging accounts.
8. Unencumbered grain product assets.

**SECTION 54. AMENDMENT.** Section 60-02.1-32 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-32. Notice to receiptholders and credit-sale contract claimants.**

Upon ~~its~~the commissioner's appointment, the ~~commission~~commissioner may take possession of relevant books and records of the licensee. If the insolvency involves a roving grain buyer, the ~~commission~~commissioner shall publish a notice of ~~its~~the commissioner's appointment once each week for two consecutive weeks in all daily newspapers in the state and may notify, by ordinary mail, the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, disclosed by the licensee's records. If the insolvency involves a facility-based grain buyer, the notice must be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located. The notice must require outstanding receiptholders and credit-sale contract claimants to file their claims with the ~~commission~~commissioner along with the receipts, contracts, or other evidence of the claims required by the ~~commission~~commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time set by the ~~commission~~commissioner, the ~~commission~~commissioner is relieved of further duty in the administration of the insolvency on behalf of the receiptholder or credit-sale contract claimant and the receiptholder may be barred from participation in the trust fund, and the credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

**SECTION 55. AMENDMENT.** Section 60-02.1-33 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-33. Remedy of receiptholders.**

~~No~~A receiptholder ~~has~~does not have a separate claim for relief upon any insolvent licensee's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commission~~commissioner fails or refuses to apply for ~~its~~the commissioner's own appointment or unless the district court denies the application. This chapter does not prohibit any receiptholder, either individually or in conjunction with other receiptholders, from pursuing concurrently any other remedy against the person or property of the licensee.

**SECTION 56. AMENDMENT.** Section 60-02.1-34 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-34. ~~Commission~~Commissioner to marshal trust assets.**

Upon ~~its~~the commissioner's appointment, the ~~commission~~commissioner shall marshal all of the trust fund assets. The ~~commission~~commissioner may maintain suits in the name of the state of North Dakota for the benefit of all receiptholders against the licensee's bonds, insurers of grain, any person who may have converted any grain, and any person who may have received preferential treatment by being paid by the insolvent licensee after the first default.

**SECTION 57. AMENDMENT.** Section 60-02.1-35 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-35. Power of ~~commission~~commissioner to prosecute or compromise claims.**

The ~~commission~~commissioner may:

1. Prosecute any action provided in sections 60-02.1-28 through 60-02.1-38 in any court in this state or in any other state.
2. Appeal from any adverse judgment to the courts of last resort.
3. Settle and compromise any action ~~when~~if it will be in the best interests of the receiptholders.
4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.
5. Upon payment of the amount of any settlement or of the full amount of any bond, exonerate the person so paying from further liability growing out of the action.

**SECTION 58. AMENDMENT.** Section 60-02.1-36 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-36. Money received by trustee - Deposited in Bank of North Dakota.**

All funds received by the ~~commission~~commissioner as trustee must be deposited in the Bank of North Dakota.

**SECTION 59. AMENDMENT.** Section 60-02.1-37 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-37. Report of trustee to court - Approval - Distribution.**

1. Upon the receipt and evaluation of claims, the commission shall file with the court a report showing the amount and validity of each claim after recognizing:
  - a. Relevant liens or pledges.

- b. Relevant assignments.
  - c. Relevant deductions due to advances or offsets accrued in favor of the licensee.
  - d. In case of relevant cash claims or checks, the amount of the claim.
  - e. In case of a relevant credit-sale contract or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.
2. The report must also contain the proposed reimbursement to the ~~commission~~commissioner for the expenses of administering the insolvency, the proposed distribution of the trust fund assets to receiptholders, less expenses incurred by the ~~commission~~commissioner in the administration of the insolvency, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants. If the trust fund is insufficient to redeem all receiptholder claims in full, the report should list the funds as prorated.
  3. The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~commissioner's report should not be approved and distribution of the trust fund be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~commissioner by certified mail upon the licensee and the surety and by ordinary mail upon all persons having claims filed with the ~~commission~~commissioner.
  4. Any aggrieved person having an objection to the ~~commission's~~commissioner's report shall file the objection with the court and serve copies on the ~~commission~~commissioner, the licensee, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.
  5. Following the hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~commissioner from ~~its~~the commissioner's trust.

**SECTION 60. AMENDMENT.** Section 60-02.1-38 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-38. Filing fees and court costs - Expenses.**

The ~~commission~~commissioner may not be required to pay any filing fee or other court costs or disbursements. The attorney general may appoint outside legal counsel to assist the ~~commission~~commissioner in the prosecution of the action and the cost of employing outside counsel must be paid from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission, its~~commissioner, the commissioner's employees, and others engaged in carrying out the provisions of sections 60-02.1-28 through 60-02.1-38, must be reimbursed to the ~~commission~~commissioner from the trust fund and credit-sale contract indemnity funds as appropriate.

**SECTION 61. AMENDMENT.** Section 60-02.1-39 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-39. Cease and desist.**

~~Whenever~~If an entity engages in an activity or practice that is contrary to the provisions of this chapter or related rules, the ~~commission~~commissioner, upon ~~its~~the commissioner's own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the



~~commissioner~~ commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

**SECTION 62.** A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

**Release of records - Confidentiality.**

1. As a condition of licensure under section 60-02.1-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:
  - a. The issuance or renewal of a grain buyer license; or
  - b. An investigation after issuance or renewal of a grain buyer license.
2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:
  - a. The issuance or renewal of a grain buyer license; or
  - b. An investigation after issuance or renewal of a grain buyer license.
3. Any information obtained by the commissioner under this section is confidential and may be provided only:
  - a. To federal authorities in accordance with federal law;
  - b. To the attorney general, state agencies, and law enforcement agencies for use in the pursuit of official duties; and
  - c. As directed by an order of a court pursuant to a showing of good cause.

**SECTION 63. AMENDMENT.** Subsection 1 of section 60-04-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Commissioner" means the public-service-  
commission agriculture commissioner.

**SECTION 64. AMENDMENT.** Section 60-04-03 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-03. Appointment of ~~commissioner~~ commissioner.**

Upon the insolvency of any warehouseman, the ~~commissioner~~ commissioner shall apply to the district court of a county in which the warehouseman operates a licensed warehouse for authority to take all action necessary and appropriate to secure and act as trustee of the trust fund described in section 60-04-03.1. Upon such notice to the warehouseman as the court shall prescribe, but not exceeding twenty days, or upon waiver of such notice in writing by the warehouseman, the court shall proceed to hear and determine such application in a summary manner. If it shall appear to the court ~~that such~~ the warehouseman is insolvent within the meaning of this chapter and that it would be for the best interests of the receipt holders that the ~~commissioner~~ commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon at which time the commissioner shall proceed to exercise its~~ the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~ commissioner's application, the court may issue ex parte such temporary order as may be necessary to preserve or protect the

assets of the trust fund, or the value ~~thereof of the trust fund~~, until the court issues ~~its an~~ order granting or denying the application.

**SECTION 65. AMENDMENT.** Section 60-04-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-03.1. Trust fund established.**

1. Upon the insolvency of any warehouseman, a trust fund ~~shall~~must be established:
  - a. For the benefit of noncredit-sale receipt holders of the insolvent warehouseman, other than those who have waived their rights as beneficiaries of the trust fund in accordance with section 60-02-11; and
  - b. To pay the costs incurred by the ~~commission~~commissioner in the administration of this chapter.
2. The trust fund consists of the following:
  - a. The grain in the warehouse of the insolvent warehouseman or the proceeds as obtained through the sale of such grain;
  - b. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee;
  - c. The proceeds of insurance policies upon grain destroyed in the elevator;
  - d. The claims for relief, and proceeds ~~therefrom from the claims for relief~~, for damages upon any bond given by the warehouseman to ensure faithful performance of the duties of a warehouseman;
  - e. The claims for relief, and proceeds ~~therefrom from the claims for relief~~, for the conversion of any grain stored in the warehouse;
  - f. Unencumbered accounts receivable for grain sold ~~prior to before~~ the filing of the claim that precipitated an insolvency;
  - g. Unencumbered equity in grain hedging accounts; and
  - h. Unencumbered grain product assets.

**SECTION 66. AMENDMENT.** Section 60-04-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-03.2. Possession of grain.**

Upon ~~its the commissioner's~~ appointment by the district court, the ~~commission~~commissioner shall seek possession of the grain to be included in the trust fund. Upon ~~its the commissioner's~~ possession of any grain in the warehouse, the ~~commission~~commissioner shall sell such grain and apply the proceeds to the trust fund.

**SECTION 67. AMENDMENT.** Section 60-04-03.3 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-03.3. Joinder of surety - Deposit of proceeds.**

The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the ~~commission when~~commissioner if the commissioner believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman.

When it appears in the best interests of the receiptholders, the court may order the surety to deposit the penal sum of the bond, or so much thereof ~~thereof the sum~~ as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

**SECTION 68. AMENDMENT.** Section 60-04-04 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-04. Notice to receiptholders and credit-sale contract claimants.**

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner may take possession of relevant books and records of the warehouseman. The ~~commission~~commissioner shall cause a notice of ~~its~~the commissioner's appointment to be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located and may notify by ordinary mail the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, as shown by the warehouseman's records. The notices must require outstanding receiptholders and credit-sale contract claimants to file their claims against the warehouseman with the ~~commission~~commissioner along with the receipts, contracts, or any other evidence of the claims as required by the ~~commission~~commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time as prescribed by the ~~commission~~commissioner, the ~~commission~~commissioner is relieved of further duty or action under this chapter on behalf of the receiptholder or credit-sale contract claimant and the receiptholder or credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

**SECTION 69. AMENDMENT.** Section 60-04-05 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-05. Remedy of receiptholders.**

~~No~~A receiptholder ~~has~~does not have a separate claim for relief upon the warehouseman's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commission~~commissioner fails or refuses to apply for ~~its~~the commissioner's own appointment from the district court or unless the district court denies the application for appointment. This chapter does not prohibit or prevent any receiptholder, either individually or in conjunction with other receiptholders, from pursuing concurrently such other remedy against the person or property of ~~such~~the warehouseman, for the whole, or any deficiency occurring in the redemption, of the receipts.

**SECTION 70. AMENDMENT.** Section 60-04-06 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-06. ~~Commission~~Commissioner to marshal trust assets.**

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner may maintain suits at law or in equity, or any special proceeding, in the name of the state of North Dakota, upon ~~its~~the commissioner's own relation, but for the benefit of all such receiptholders against:

1. The insurers of grain;
2. The warehouseman's bond;
3. Any person who may have converted any grain; or
4. Any receiptholder who ~~shall have~~received more than ~~its~~the receiptholder's just and pro rata share of grain,

for the purpose of marshalling all of the trust fund assets and distributing the same among the receipt holders. The ~~commission~~commissioner shall seek possession of any grain in the warehouse before recourse is had against the insurers of grain, and the remedy against the insurers of grain ~~shall~~must be exhausted before recourse is had against the bond, and against the bond before recourse is had against the person honestly converting grain, unless the ~~commission shall deem~~commissioner deems it necessary to the redemption of the receipts that all the above remedies be pursued at the same time.

**SECTION 71. AMENDMENT.** Section 60-04-07 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-07. Power of ~~commission~~commissioner to prosecute or compromise claims.**

The ~~commission~~commissioner may:

1. Prosecute any action provided in this chapter in any court in this state or in any other state.
2. Appeal from any adverse judgment to the courts of last resort.
3. Settle and compromise any action ~~whenever~~if it is in the best interests of the receipt holders.
4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.
5. Upon payment of the amount of the compromise or of the full amount of any insurance policy, bond, or conversion claim, exonerate the person so compromising or paying in full from further liability growing out of the action.

**SECTION 72. AMENDMENT.** Section 60-04-08 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-08. Money received by trustee - Deposited in Bank of North Dakota.**

All moneys collected and received by the ~~commission~~commissioner as trustee under this chapter, pending the marshalling of the fund, ~~shall~~must be deposited in the Bank of North Dakota.

**SECTION 73. AMENDMENT.** Section 60-04-09 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-09. Report of trustee to court - Approval - Distribution.**

Upon the receipt and evaluation of claims filed with ~~it~~the commissioner, the ~~commission~~commissioner shall file with the court a report showing the amount and validity of each claim after recognizing:

1. Any proper liens or pledges ~~thereon~~on the claims.
2. Assignments ~~thereof~~of the claims.
3. Deductions ~~therefrom~~from the claims by reason of advances or offsets accrued in favor of the warehouseman.
4. In case of cash claims or checks, the amount ~~thereof~~of the claims or checks.
5. In the case of scale tickets or warehouse receipts, the amount ~~thereof~~ based upon the market price prevailing on the date the

~~commission~~commissioner first received a copy of the written demand required by section 60-04-02.

6. In the case of a credit-sale or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.

The report must also contain the proposed reimbursement to the ~~commission~~commissioner for the expenses of administering the insolvency, a proposed distribution of the trust fund assets, less expenses incurred by the ~~commission~~commissioner in the administration of this chapter, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants as ~~their~~the interests of the claimants are determined. If the trust fund is insufficient to redeem all receiptholder claims in full, the fund must be shown prorated in the report in the manner the ~~commission~~commissioner deems fair and equitable.

The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~commissioner's report should not be approved and credit-sale contract indemnity fund payments and distribution of the trust fund be made as proposed, and payments from the credit-sale contracts be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~commissioner by certified mail upon the warehouseman and the surety and by ordinary mail upon all persons having claims filed with the ~~commission~~commissioner.

Any aggrieved person having an objection to the ~~commission's~~commissioner's report shall file the objection with the court and serve copies on the ~~commission~~commissioner, the warehouseman, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.

Following hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~commissioner from ~~its~~the commissioner's trust.

**SECTION 74. AMENDMENT.** Section 60-04-10 of the North Dakota Century Code is amended and reenacted as follows:

**60-04-10. Filing fees and court costs - Expenses.**

In any action in a state court in this state, the ~~commission shall~~commissioner may not be required to pay any filing fee or other court costs or disbursements if the fees accrue to the county or to the state. The attorney general may employ outside legal services to assist the ~~commission~~commissioner in the prosecution of such action as in the attorney general's judgment may be necessary and the ~~commission~~commissioner shall deduct the expenses of the same from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission,~~ ~~its~~commissioner, the commissioner's employees, and others engaged in carrying out the provisions of this chapter, must be reimbursed to the ~~commission~~commissioner from the trust fund and credit-sale indemnity funds as appropriate.

**SECTION 75. AMENDMENT.** Section 60-05-01 of the North Dakota Century Code is amended and reenacted as follows:

**60-05-01. Public elevators and warehouses - ~~Commission~~Commissioner may require uniform accounting system.**

The ~~public service~~~~commission~~commissioner may require every association, copartnership, corporation, or limited liability company conducting a public elevator or warehouse in this state to adopt a uniform accounting system established by ~~such~~~~commission~~the commissioner.

**SECTION 76. AMENDMENT.** Section 60-05-02 of the North Dakota Century Code is amended and reenacted as follows:

**60-05-02. Examination of financial accounts of elevator or warehouse by competent examiner - Request by percentage of stockholders.**

The ~~commission~~commissioner may install, and ~~whenever~~if requested by not less than fifteen percent of the partners, stockholders, or members of any association, copartnership, corporation, or limited liability company conducting such public elevator or warehouse, shall install, the uniform system of accounting mentioned in section 60-05-01. The ~~commission~~commissioner on ~~its~~the commissioner's own motion may, or on request of the required percentage of partners, stockholders, or members, the ~~commission~~commissioner shall, send a competent examiner to examine the books and financial accounts of ~~such~~the elevator or warehouse. ~~Whenever~~If a request for the examination of the accounts of any association, copartnership, corporation, or limited liability company has been made to the ~~commission~~commissioner, as provided for in this section, ~~an~~ examination thereafter shall subsequent examinations must be made at least once every year until the ~~commission~~ shall be commissioner is requested to discontinue such examination by resolution adopted by the partners, stockholders, or members at any annual meeting. ~~When~~If such examination has been made, the examiner shall report immediately the results ~~thereof~~of the examination to the president and the secretary of such association, copartnership, corporation, or limited liability company and to the ~~commission~~commissioner.

**SECTION 77. AMENDMENT.** Section 60-05-03 of the North Dakota Century Code is amended and reenacted as follows:

**60-05-03. Certificate issued by ~~commission~~commissioner after its examination of accounts.**

If the ~~commission~~commissioner is satisfied from ~~its~~the commissioner's examination that the person, association, copartnership, corporation, or limited liability company examined is solvent and ~~its~~the method of doing business is such as is likely to be beneficial to all of its members or persons interested therein, the ~~commission~~commissioner shall issue a certificate, countersigned by the examiner, to the agent or manager. Such certificate shall must be kept posted conspicuously in the warehouse or elevator of such person, association, copartnership, corporation, or limited liability company and shall must state:

1. That said methods of doing business are sound.
2. That such person, association, copartnership, corporation, or limited liability company is solvent.
3. That its books and accounts are kept properly.

If the affairs and methods of doing business of such person, association, copartnership, corporation, or limited liability company ~~shall~~do not seem sound or satisfactory to the ~~commission~~, ~~it~~commissioner, the commissioner shall issue a certificate or statement, countersigned by the person who made the examination, stating in what particular and in what respect the business methods practiced or methods of keeping books and accounts of such person, association, copartnership, corporation, or limited liability company are not deemed safe. The ~~commission~~commissioner shall mail a copy of ~~said~~the statement or certificate to each of such shareholders or stockholders as may have requested the ~~commission~~commissioner to make such examination. The ~~commission~~commissioner also shall send a copy thereof to the president and the secretary of such association, copartnership, corporation, or limited liability company.

**SECTION 78. AMENDMENT.** Section 60-05-04 of the North Dakota Century Code is amended and reenacted as follows:

**60-05-04. Fees of examiner for installing and examining accounting system.**

For making installation of a uniform accounting system and examining the financial accounts of an elevator or public warehouse, an association, copartnership, corporation, or limited liability company shall pay the examiner a reasonable fee, as determined by the ~~commission~~commissioner. In case any such association, copartnership, corporation, or limited liability company shall wrongfully refuse or neglect to pay such fees, then the ~~commission~~commissioner may cancel the license to do business. All such fees ~~shall~~must be paid into the state treasury. The expenses incurred by the examiner under the provisions of this chapter shall be paid out of the appropriations made by the legislative assembly for this purpose and such expenses ~~shall~~must be audited and paid in the same manner as other expenses are audited and paid.

**SECTION 79. AMENDMENT.** Section 60-06-05 of the North Dakota Century Code is amended and reenacted as follows:

**60-06-05. Sidetracks to be provided ~~by railroad company on its land~~.**

Every railroad company or corporation organized under the laws of this state or doing business ~~therein in this state~~, upon application in writing, shall provide reasonable sidetrack facilities and running connections between its main track and elevators and warehouses upon or contiguous to its right of way at such stations. Every such railroad corporation shall permit connections to be made and maintained in a reasonable manner with its sidetracks to and from any warehouse or elevator without reference to its size, cost, or capacity, ~~whereif~~ grain or potatoes are or may be stored. The railroad company is not required to construct or furnish any sidetracks except upon its own land or right of way. Such elevators and warehouses may not be constructed within one hundred feet [30.48 meters] of any existing structure and must be at safe fire distance from the station buildings so as not to conflict essentially with the safe and convenient operation of the road. ~~Whereif~~ stations are ten miles [16.09 kilometers] or more apart the railroad company, ~~whenif~~ required so to do by the ~~public service commission~~commissioner, shall construct and maintain a sidetrack for the use of shippers between such stations.

**SECTION 80. AMENDMENT.** Section 60-06-06.1 of the North Dakota Century Code is amended and reenacted as follows:

**60-06-06.1. Determination - ~~Appropriation~~Expenses.**

Any party may petition the ~~public service commission~~commissioner to determine rights governed under this chapter. The ~~commission~~commissioner shall determine the matter in accordance with chapter 28-32 and the parties' rights of appeal are as limited by chapter 28-32. The value of a leaseholder's improvements may not be considered in determining a reasonable lease rate or selling price. The parties to such a proceeding shall pay the expenses of the proceeding, as determined by the ~~commission~~commissioner, directly to the entities owed. The ~~commission~~commissioner may adopt rules to carry out this section.

**SECTION 81. AMENDMENT.** Section 60-10-01 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-01. Credit-sale contracts - Assessment on grain - Submission of assessment.**

An assessment at the rate of two-tenths of one percent is placed on the value of all grain sold in this state under a credit-sale contract, as provided for in sections 60-02-19.1 and 60-02.1-14. The licensee purchasing the grain shall note the assessment on the contract required under sections 60-02-19.1 and 60-02.1-14 and shall deduct the assessment from the purchase price payable to the seller. The licensee shall submit any assessment collected under this section to the ~~public service commission~~commissioner no later than thirty days after each calendar quarter. The ~~commission~~commissioner shall deposit the assessments received under this section in the credit-sale contract indemnity fund.

**SECTION 82. AMENDMENT.** Section 60-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-02. Credit-sale contract indemnity fund - Creation - Continuing appropriation.**

There is created in the state treasury the credit-sale contract indemnity fund. The state treasurer shall invest available moneys in the fund in accordance with section 21-10-07 and in cooperation with the ~~public service-commissioner~~ commissioner and shall deposit any income earned through the investments into the fund. The fund and earnings of the fund are appropriated to the ~~public service-commissioner~~ commissioner on a continuing basis to be used exclusively to carry out the intent and purpose of this chapter.

**SECTION 83. AMENDMENT.** Section 60-10-03 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-03. Credit-sale contract indemnity fund - Suspension of assessment.**

At the end of the calendar quarter in which the credit-sale contract indemnity fund reaches a level of six million dollars, the ~~public service-commissioner~~ commissioner shall suspend collection of the assessment required by this chapter. If after suspension of collection the balance in the fund is less than three million dollars, the ~~public service-commissioner~~ commissioner shall require collection of the assessment.

**SECTION 84. AMENDMENT.** Section 60-10-05 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-05. Credit-sale contract indemnity fund - Availability of money.**

Upon the insolvency of a licensed warehouse or a grain buyer and a declaration that the ~~public service-commissioner~~ commissioner serve as the trustee, the ~~public service-commissioner~~ commissioner shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to the reimbursement of any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated in accordance with the contract.

**SECTION 85. AMENDMENT.** Section 60-10-07 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-07. Credit-sale contract indemnity fund - Prorated claims.**

If claims for indemnity payments from the credit-sale contract indemnity fund exceed the amount in the fund, the ~~public service-commissioner~~ commissioner shall prorate the claims and pay the prorated amounts. As future assessments are collected, the ~~public service-commissioner~~ commissioner shall continue to forward indemnity payments to each eligible person until the person receives the maximum amount payable in accordance with this chapter.

**SECTION 86. AMENDMENT.** Section 60-10-08 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-08. Reimbursement for later insolvencies.**

The ~~public service-commissioner~~ commissioner shall ensure that all persons eligible for payment from the indemnity fund as a result of an insolvency are fully compensated to the extent permitted by this chapter before any payments from the indemnity fund are initiated as a result of a later insolvency. The chronological order of insolvencies is determined by the date the ~~public service-commissioner~~ commissioner is appointed trustee under section 60-02.1-29 or 60-04-03.



**SECTION 87. AMENDMENT.** Section 60-10-09 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-09. Credit-sale contract indemnity fund - Reimbursement for administrative expenses.**

Any expense incurred by the ~~public service commissioner~~commissioner in administering the credit-sale contract indemnity must be reimbursed from the fund before any other claim for indemnity is paid.

**SECTION 88. AMENDMENT.** Section 60-10-10 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-10. Credit-sale contract indemnity fund assessment - Failure to collect assessment - Penalty.**

Any person who knowingly or intentionally refuses or fails to collect the assessment required under this chapter from producers or to submit any assessment collected from producers to the ~~public service commissioner~~commissioner for deposit in the credit-sale contract indemnity fund is guilty of a class A misdemeanor.

**SECTION 89. AMENDMENT.** Section 60-10-11 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-11. Revocation and suspension.**

The ~~commissioner~~commissioner may suspend or revoke the license of any licensee for cause upon notice and hearing for violation of this chapter.

**SECTION 90. AMENDMENT.** Section 60-10-12 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-12. Cease and desist.**

If a person engages in an activity or practice that is contrary to this chapter or rules adopted by the ~~commissioner~~commissioner, the ~~commissioner~~commissioner, upon ~~its~~the commissioner's own motion without complaint and with or without a hearing, may order the person to cease and desist from the activity until further order of the ~~commissioner~~commissioner. The order may include any corrective action up to and including license suspension. A cease and desist order must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

**SECTION 91. AMENDMENT.** Section 60-10-14 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-14. Subrogation.**

Money paid from the credit-sale contract indemnity fund in satisfaction of a valid claim constitutes a debt obligation of the person against whom the claim was made. The ~~commissioner~~commissioner may take action on behalf of the fund against a person to recover the amount of payment made, plus costs and attorney's fees. Any recovery for reimbursement to the fund must include interest computed at the weight average prime rate charged by the Bank of North Dakota. Upon payment of a claim from the credit-sale contract indemnity fund, the claimant shall subrogate ~~its~~the interest of the claimant, if any, to the ~~commissioner~~commissioner in a cause of action against all parties, to the amount of the loss that the claimant was reimbursed by the fund.

**SECTION 92. AMENDMENT.** Section 60-10-15 of the North Dakota Century Code is amended and reenacted as follows:

**60-10-15. Unlicensed facility-based grain buyer.**

This chapter also applies to a facility-based grain buyer, as defined in section 60-02.1-01, which is licensed under the United States Warehouse Act but which does not possess a state grain buyer license. The ~~commission~~ commissioner has the duty and power to examine and inspect, during regular business hours, all books, documents, and records related to collections and remittances pertaining to the credit-sale contract indemnity fund. In the case of insolvency, credit-sale contract payments to valid claimants must be reduced by an amount equal to the credit-sale contract indemnity payments received from payments administered by the United States department of agriculture."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2009 - Department of Agriculture - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,372,949	\$13,049,463	\$601,759	\$13,651,222
Operating expenses	6,444,336	6,577,780	125,000	6,702,780
Capital assets	13,000	15,000		15,000
Grants	8,817,774	8,823,774		8,823,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,408,000	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission		3,176,791	823,209	4,000,000
Total all funds	\$30,196,777	\$34,240,926	\$1,549,968	\$35,790,894
Less estimated income	21,087,676	24,503,189	863,543	25,366,732
General fund	\$9,109,101	\$9,737,737	\$686,425	\$10,424,162
FTE	73.00	75.00	2.00	77.00

**Department 602 - Department of Agriculture - Detail of House Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Removes 1 FTE Position <sup>2</sup>	Removes Funding for Agriculture Commissioner Salary Equity Increase <sup>3</sup>	Adjusts Funding for Wildlife Services Operating Fees <sup>4</sup>	Adjusts Funding for APUC <sup>5</sup>	Transfers Grain Warehouse Inspection Program from the PSC <sup>6</sup>
Salaries and wages	\$45,913	(\$157,940)	(\$14,713)			\$728,499
Operating expenses						125,000
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$823,209	
Total all funds	\$45,913	(\$157,940)	(\$14,713)	\$0	\$823,209	\$853,499
Less estimated income	25,357	(34,423)	0	49,400	823,209	0
General fund	\$20,556	(\$123,517)	(\$14,713)	(\$49,400)	\$0	\$853,499
FTE	0.00	(1.00)	0.00	0.00	(1.00)	4.00

	Total House Changes
Salaries and wages	\$601,759
Operating expenses	125,000
Capital assets	
Grants	
State Board of Animal Health	
Wildlife services	
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	823,209
Total all funds	\$1,549,968
Less estimated income	863,543
General fund	\$686,425
FTE	2.00

<sup>1</sup> Funding of \$45,913, of which \$20,556 is from the general fund and \$25,357 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The Senate provided funding for a salary increase of 2 percent on July 1, 2019, and a 3 percent increase on July 1, 2020.

<sup>2</sup> One FTE undesignated position and funding of \$157,940 is removed, of which \$123,517 is from the general fund, \$6,673 is from the Department of Agriculture operating fund, and \$27,750 is from federal funds. The Senate did not remove any FTE positions.

<sup>3</sup> Funding of \$14,713 provided by the Senate to increase the Agriculture Commissioner's salary to align with the Tax Commissioner's salary is removed.

<sup>4</sup> The funding source for \$49,400 for wildlife services operating fees is changed to the environment and rangeland protection fund rather than the general fund to provide total funding of \$1,457,400 for wildlife services, the same amount as the Senate.

<sup>5</sup> Funding for the Agricultural Products Utilization Commission (APUC) is adjusted as follows:

	<u>FTE</u>	<u>Other Funds</u>
Reduces funding from the APUC special funds	(1.00)	(\$1,176,791)
Adds funding from Bank of North Dakota profits	0.00	2,000,000
Total	(1.00)	\$823,209

Total funding approved by the House for APUC is \$4 million, of which \$2 million is from the APUC fund and \$2 million is from the profits of the Bank of North Dakota. The House approved 1 FTE APUC position for the program. The Senate approved total funding of \$3,176,791 from the APUC fund and 2 FTE positions.

<sup>6</sup> Transfers grain warehouse license and inspection program from the Public Service Commission to the Agriculture Commissioner as follows:

	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total General Fund</u>
Adds 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Adds 1 FTE accounting budget specialist	165,493	5,000	170,493
Total	\$728,499	\$125,000	\$853,499

This amendment also:

- Amends a section identifying the amount of funding from the environment and rangeland protection fund.
- Amends a section relating to the salary of the Agriculture Commissioner.
- Adds a section related to the transfer of \$2 million of the current earnings and undivided profits of the Bank of North Dakota to the Agriculture Commissioner for deposit in the APUC fund during the 2019-21 biennium.
- Removes statutory sections related to APUC. The statutory changes needed to move APUC to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds statutory sections to transfer grain, grain buyers, warehousing, deposits, and warehousemen programs from the Public Service Commission to the Agriculture Commissioner and increases annual license fees, resulting in additional general fund revenues of approximately \$83,200 during the 2019-21 biennium.

#### **HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2034**

Page 1, line 1, after "62.1-02-01" insert ", a new subsection to section 62.1-02-05,"

Page 1, line 3, after the semicolon insert "to amend and reenact subsection 1 of the new section to chapter 62.1-02 of the North Dakota Century Code as created by section 1 of House Bill No. 1332, as approved by the sixty-sixth legislative assembly, relating to the carrying of a concealed firearm on school property by qualified individuals;"

Page 2, line 11, after "service-related" insert "physical"

Page 3, after line 17, insert:

**"SECTION 2. AMENDMENT.** Subsection 1 of the new section to chapter 62.1-02 of the North Dakota Century Code as created by section 1 of House Bill No. 1332, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

1. The superintendent of public instruction, in consultation with the department of emergency services and the attorney general, shall adopt rules to administer this section and develop criteria for approval of plans under this section."

Page 4, after line 13, insert:

**"SECTION 5.** A new subsection to section 62.1-02-05 of the North Dakota Century Code is created and enacted as follows:

This section does not prevent the governing body of a school or the entity exercising control over a publicly owned or operated building or property from authorizing the use of a less than lethal weapon as part of the security plan for the school, building, or property."

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 2010.

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2010

Page 1, line 2, remove "chapter 23.1-16 and"

Page 1, line 2, after "26.1-22-03.1" insert "and a new section to chapter 26.1-36"

Page 1, line 3, remove "boiler inspections and"

Page 1, line 4, after "producers" insert "and health insurance"

Page 1, line 4, remove "sections 18-04-04, 18-04-04.1, and 18-04-05,"

Page 1, line 5, replace "subsection 1 of section 26.1-03-17, and" with "subdivision c of subsection 8 of section 26.1-04-03, subsection 2 of section 26.1-04-06,"

Page 1, line 6, after "26.1-23.1-01" insert ", and subsection 2 of section 26.1-25-16"

Page 1, line 8, after the second comma insert "insurance rebates,"

Page 1, line 9, remove "to repeal chapter 26.1-22.1 of the North Dakota Century Code, relating to"

Page 1, line 10, replace "boiler inspections; to provide a penalty;" with "to provide for a legislative management study; to provide legislative intent;"

Page 1, line 10, remove "and to provide a"

Page 1, line 11, replace "contingent effective date" with "and to declare an emergency"

Page 1, replace lines 20 through 23 with:

"Salaries and wages	\$8,549,567	(\$399,569)	\$8,149,998
Operating expenses	<u>2,179,777</u>	<u>(613,102)</u>	<u>1,566,675</u>
Total special funds	\$10,729,344	(\$1,012,671)	\$9,716,673
Full-time equivalent positions	46.00	(5.00)	41.00

**SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$17,519,422, or so much of the sum as may be necessary, to the insurance

commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$16,773,750 and payments to the North Dakota firefighter's association in the amount of \$745,672, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, remove lines 4 through 30

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 3

Page 10, line 16, replace "one hundred eleven thousand one hundred twenty-two" with "one hundred ten thousand five hundred eighty-two"

Page 10, remove lines 17 through 31

Page 11, replace lines 1 through 7 with:

**"SECTION 6. AMENDMENT.** Subdivision c of subsection 8 of section 26.1-04-03 of the North Dakota Century Code is amended and reenacted as follows:

- c. Notwithstanding any other provision in this subsection, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subdivision, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subdivision, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotion article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subdivision, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance.

**SECTION 7. AMENDMENT.** Subsection 2 of section 26.1-04-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured,

policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance."

Page 13, replace lines 22 through 28 with:

**"SECTION 13. AMENDMENT.** Subsection 2 of section 26.1-25-16 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance.

**SECTION 14.** A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

**Pre-existing conditions.**

Notwithstanding any law to the contrary, an accident and health insurance policy issued under this chapter may not take into account any pre-existing condition of an insured or applicant, including waiting periods, refusal of coverage, and ratesetting.

**SECTION 15. LEGISLATIVE INTENT - INSURANCE TAX DISTRIBUTION FUND PAYMENTS TO FIRE DEPARTMENTS.** It is the intent of the sixty-sixth legislative assembly that, when feasible, fire departments utilize increased payments from the insurance tax distribution fund to improve their insurance service office rating.

**SECTION 16. LEGISLATIVE MANAGEMENT STUDY - VOLUNTEER FIREFIGHTER PENSION.** During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of establishing a pension for volunteer firefighters. The study must include a review of firefighter needs of the state and benefits provided to volunteer firefighters in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

**SECTION 17. EMERGENCY.** Sections 8, 9, 10, 11, and 12 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2010 - Insurance Department - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,549,567	\$8,134,475	\$15,523	\$8,149,998
Operating expenses	2,179,777	1,566,675		1,566,675
Insurance tax payments	15,064,086		17,519,422	17,519,422
Total all funds	\$25,793,430	\$9,701,150	\$17,534,945	\$27,236,095
Less estimated income	25,793,430	9,701,150	17,534,945	27,236,095
General fund	\$0	\$0	\$0	\$0
FTE	46.00	41.00	0.00	41.00

**Department 401 - Insurance Department - Detail of House Changes**

	Adds Funding for Salary Increases <sup>1</sup>	Adjusts Funding for Fire District Payments <sup>2</sup>	Total House Changes
Salaries and wages	\$15,523		\$15,523
Operating expenses			
Insurance tax payments		\$17,519,422	17,519,422
Total all funds	\$15,523	\$17,519,422	\$17,534,945
Less estimated income	15,523	17,519,422	17,534,945
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> 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 on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

<sup>2</sup> Funding from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association is restored to reflect the removal of continuing appropriation authority approved by the Senate. This amendment provides \$16,773,750 to be distributed to fire districts, an estimated reduction of \$1,009,288 from the Senate version but an increase of \$2,538,189 from the base level. The amendment also provides \$745,672 to be distributed to the North Dakota Firefighter's Association, an estimated reduction of \$289,320 from the Senate version and a reduction of \$82,853 from the base level. This results in a general fund revenue reduction of \$2,455,336 compared to the base level, and a general fund revenue increase of \$1,298,608 compared to the Senate version.

**Senate Bill No. 2010 - Other Changes - House Action**

This amendment also:

- Removes sections providing continuing appropriation authority to the Insurance Commissioner for fire department and North Dakota Firefighter's Association payments from the insurance tax distribution fund.
- Removes sections providing for the transfer of the boiler inspection program to the Department of Environmental Quality. The transfer of the program is provided for in the Senate version of House Bill No. 1024.
- Adjusts the section providing statutory changes necessary to increase the salary of the Insurance Commissioner.
- Adds sections to provide statutory changes relating to rebates associated with obtaining an insurance quote.
- Adds a statutory section to provide accident and health insurance policies may not take into account any pre-existing condition of an applicant.
- Adds a section to provide legislative intent that fire departments utilize increased

distributions from the insurance tax distribution fund to improve their Insurance Service Office (ISO) ratings.

- Adds a section to provide for a Legislative Management study of the feasibility and desirability of establishing a pension for volunteer firefighters.
- Adds a section to declare the sections providing for the transfer of administration of the state bonding fund and the state fire and tornado fund to be an emergency.

**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 1024, HB 1384, and HB 1393, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1024:** Reps. Schobinger; B. Anderson; Holman

**HB 1384:** Reps. Steiner; Dockter; Headland

**HB 1393:** Reps. Roers Jones; Paulson; Simons

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. DAVISON MOVED** that the Senate do concur in the House amendments to Engrossed SCR 4001 as printed on SJ pages 1450-1451, which motion prevailed on a voice vote.

Engrossed SCR 4001, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4001:** A concurrent resolution to amend and reenact section 9 of article III of the Constitution of North Dakota, relating to the process for approving constitutional amendments.

**ROLL CALL**

The question being on the final adoption of the amended resolution, which has been read. The roll was called and there were 31 YEAS, 15 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bekkedahl; Burckhard; Clemens; Cook; Dever; Dwyer; Erbele; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Meyer; Myrdal; Oehlke; Patten; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wardner

**NAYS:** Bakke; Davison; Dotzenrod; Elkin; Fors; Grabinger; Heckaman; Hogan; Marcellais; Mathern; Oban; Piepkorn; Poolman; Robinson; Unruh

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed SCR 4001 was declared adopted on a recorded roll call vote.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. BURCKHARD MOVED** that the Senate do concur in the House amendments to SB 2139 as printed on SJ pages 1446-1447, which motion prevailed on a voice vote.

SB 2139, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2139:** A BILL for an Act to amend and reenact sections 61-02-01.4, 61-02-02, 61-02-04, 61-02-07, and 61-02-14 of the North Dakota Century Code, relating to cost-sharing and duties and membership of the state water commission.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 3 NAYS, 0 EXCUSED, 1 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; 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; Sorvaag; Vedaa; Wardner

**NAYS:** Kreun; Schaible; Unruh

**ABSENT AND NOT VOTING:** Wanzek

Engrossed SB 2139 passed.

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#### **CONSIDERATION OF MESSAGES FROM THE HOUSE**

**SEN. KLEIN MOVED** that the Senate do not concur in the House amendments to Reengrossed SB 2003 as printed on SJ pages 1479-1482, in the House amendments to Engrossed SB 2009, in the House amendments to Engrossed SB 2010, in the House amendments to Engrossed SB 2013, in the House amendments to Engrossed SB 2315 as printed on SJ pages 1451-1453, and in the House amendments to Engrossed SB 2346 as printed on SJ pages 1397-1427 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:

**Reengrossed SB 2003:** Sens. Sorvaag, Bekkedahl, Grabinger.

**Engrossed SB 2009:** Sens. Wanzek, Erbele, Grabinger.

**Engrossed SB 2010:** Sens. Oehlke, Erbele, Grabinger.

**Engrossed SB 2013:** Sens. Holmberg, Poolman, Robinson.

**Engrossed SB 2315:** Sens. Luick, Erbele, O. Larsen.

**Engrossed SB 2346:** Sens. Klein, Myrdal, 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 1024 and Engrossed HB 1393, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed HB 1024:** Sens. Bekkedahl, Hogue, Mathern

**Engrossed HB 1393:** Sens. Dwyer, Myrdal, Bakke

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. BURCKHARD MOVED** that the conference committee report on Reengrossed SB 2146 as printed on SJ page 1530 be adopted, which motion failed on a voice vote.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed SB 2342 as printed on SJ page 1530 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2342, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2342:** A BILL for an Act to create and enact a new section to chapter 20.1-13 of the North Dakota Century Code, relating to regulation of boats to prevent excessive noise; and to provide a penalty.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 29 YEAS, 17 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Clemens; Davison; Dever; Dotzenrod; Dwyer; Erbele; Heckaman; Hogan; Hogue; Holmberg; Klein; Krebsbach; Larson, D.; Lee, G.; Lee, J.; Luick; Mathern; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust;

Sorvaag; Vedaa; Wardner

**NAYS:** Burckhard; Cook; Elkin; Fors; Grabinger; Kannianen; Kreun; Larsen, O.; Lemm; Marcellais; Meyer; Myrdal; Oban; Oehlke; Patten; Schaible; Unruh

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed SB 2342 passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. J. ROERS MOVED** that the conference committee report on Engrossed SB 2100 as printed on SJ page 1530 be adopted, which motion prevailed on a voice vote.

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1003, HB 1018.

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

**MR. SPEAKER:** The Senate has amended and subsequently failed to pass: HCR 3010.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2016, SB 2297.

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer;"

Page 1, line 2, after "37-07.2-01" insert "and subsection 6 of section 57-51.1-07.5"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "grants" insert ", and the state share of oil and gas taxes deposited in the state disaster relief fund"

Page 1, line 5, after the second semicolon insert "to provide an effective date;"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$6,666,525	\$167,241	\$6,833,766
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	5,554	305,134
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	472,547	8,571,129
Army guard contract	57,717,944	(10,777,931)	46,940,013
Veterans' cemetery	881,284	95,622	976,906
Reintegration program	1,261,384	(210,216)	1,051,168
Camp Grafton expansion	0	600,000	600,000
Total all funds	\$81,611,332	(\$8,348,861)	\$73,262,471
Less estimated income	65,174,778	(10,360,121)	54,814,657
Total general fund	\$16,436,554	\$2,011,260	\$18,447,814"

Page 2, replace lines 11 through 19 with:

"Salaries and wages	\$12,551,119	(\$1,564,688)	\$10,986,431
Operating expenses	6,988,451	2,370,376	9,358,827
Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(14,890,756)	36,555,085

Radio communications	0	785,000	785,000
Total all funds	\$87,874,570	(\$13,255,802)	\$74,618,768
Less estimated income	<u>78,424,702</u>	<u>(12,754,317)</u>	<u>65,670,385</u>
Total general fund	\$9,449,868	(\$501,485)	\$8,948,383"

Page 2, replace lines 24 through 27 with:

"Grand total general fund	\$25,886,422	\$1,509,775	\$27,396,197
Grand total special funds	<u>143,599,480</u>	<u>(23,114,438)</u>	<u>120,485,042</u>
Grand total all funds	\$169,485,902	(\$21,604,663)	\$147,881,239
Full-time equivalent positions	234.00	(12.00)	222.00"

Page 3, after line 23, insert:

**"SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE DISASTER RELIEF FUND - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES.** Due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive cost of road maintenance in the western part of the state, there is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the period beginning with the effective date of this Act, and ending June 30, 2019. In June 2019, the state treasurer shall distribute \$8,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of \$5,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2017, and ending August 31, 2018."

Page 5, after line 23, insert:

**"SECTION 9. AMENDMENT.** Subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

6. The next ~~twentyfive~~ million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than ~~twentyfive~~ million dollars; and"

Page 6, remove lines 23 through 31

Page 7, replace lines 1 through 3 with:

**"SECTION 15. EFFECTIVE DATE.** Section 9 of this Act is effective for taxable events occurring after June 30, 2019."

Page 7, line 4, replace "and 5" with ", 5, and 6"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2016 - Summary of House Action

Base  
Budget

Senate  
Version

House  
Changes

House  
Version

Adjutant General				
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00
Department of Emergency Services				
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00
Bill total				
Total all funds	\$169,485,902	\$144,028,320	\$3,852,919	\$147,881,239
Less estimated income	143,599,480	116,415,486	4,069,556	120,485,042
General fund	\$25,886,422	\$27,612,834	(\$216,637)	\$27,396,197
FTE	234.00	224.00	(2.00)	222.00

### Senate Bill No. 2016 - Adjutant General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,666,525	\$6,813,608	\$20,158	\$6,833,766
Operating expenses	3,525,934	2,767,321		2,767,321
Capital assets	224,046	224,046		224,046
Grants	318,553	210,916		210,916
Civil air patrol	299,580	303,875	1,259	305,134
Tuition, recruiting, and retention	2,617,500	4,782,072		4,782,072
Air guard contract	8,098,582	8,542,126	29,003	8,571,129
Army guard contract	57,717,944	46,899,885	40,128	46,940,013
Veterans' cemetery	881,284	972,672	4,234	976,906
Reintegration program	1,261,384	1,047,749	3,419	1,051,168
Camp Grafton expansion		600,000		600,000
Total all funds	\$81,611,332	\$73,164,270	\$98,201	\$73,262,471
Less estimated income	65,174,778	54,748,430	66,227	54,814,657
General fund	\$16,436,554	\$18,415,840	\$31,974	\$18,447,814
FTE	155.00	154.00	0.00	154.00

### Department 540 - Adjutant General - Detail of House Changes

	Adds Funding for Salary Increases <sup>1</sup>	Total House Changes
Salaries and wages	\$20,158	\$20,158
Operating expenses		
Capital assets		
Grants		
Civil air patrol	1,259	1,259
Tuition, recruiting, and retention		
Air guard contract	29,003	29,003
Army guard contract	40,128	40,128
Veterans' cemetery	4,234	4,234
Reintegration program	3,419	3,419
Camp Grafton expansion		
Total all funds	\$98,201	\$98,201
Less estimated income	66,227	66,227
General fund	\$31,974	\$31,974
FTE	0.00	0.00

<sup>1</sup> 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 on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

**Senate Bill No. 2016 - Department of Emergency Services - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,551,119	\$11,324,705	(\$338,274)	\$10,986,431
Operating expenses	6,988,451	9,367,600	(8,773)	9,358,827
Capital assets		660,000		660,000
Grants	16,889,159	16,273,425		16,273,425
Disaster costs	51,445,841	32,453,320	4,101,765	36,555,085
Radio communications		785,000		785,000
Total all funds	\$87,874,570	\$70,864,050	\$3,754,718	\$74,618,768
Less estimated income	78,424,702	61,667,056	4,003,329	65,670,385
General fund	\$9,449,868	\$9,196,994	(\$248,611)	\$8,948,383
FTE	79.00	70.00	(2.00)	68.00

**Department 542 - Department of Emergency Services - Detail of House Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts Funding for IT Unification <sup>2</sup>	Transfers FTE Positions to the Attorney General <sup>3</sup>	Adjusts Funding for Disaster Costs <sup>4</sup>	Total House Changes
Salaries and wages	\$15,017		(\$353,291)		(\$338,274)
Operating expenses		\$615	(9,388)		(8,773)
Capital assets					
Grants					
Disaster costs	1,765			\$4,100,000	4,101,765
Radio communications					
Total all funds	\$16,782	\$615	(\$362,679)	\$4,100,000	\$3,754,718
Less estimated income	9,329	(13)	(105,987)	4,100,000	4,003,329
General fund	\$7,453	\$628	(\$256,692)	\$0	(\$248,611)
FTE	0.00	0.00	(2.00)	0.00	(2.00)

<sup>1</sup> 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 on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020. Funding for salary and benefit increases is also adjusted to reflect the transfer of 2 FTE positions to the Attorney General's office.

<sup>2</sup> Funding for operating expenses related to the IT unification initiative is adjusted.

<sup>3</sup> Funding is reduced to reflect the transfer of 2 FTE positions from the Department of Emergency Services to the Attorney General's office.

<sup>4</sup> Funding for disaster costs is increased by \$4,100,000 from the state disaster relief fund to provide a total of \$7,123,161 from the state disaster relief fund, including \$6,923,161 for unclosed state disasters. The remaining \$200,000 is for a grant to a county required to reimburse the Federal Emergency Management Agency for a grant to repair roads damaged by floodwaters in 2011 for which the Federal Emergency Management Agency later deemed to be ineligible. Any requirement to repay the state share of the grant to repair roads damaged by floodwaters in 2011 is waived.

**Senate Bill No. 2016 - Other Changes - House Action**

This amendment also:

- Adds a section to provide a 2017-19 biennium appropriation of \$8.1 million to the State Treasurer to provide distributions to townships in non-oil-producing counties for road and bridge maintenance and improvements.
- Adds a section to reduce the state share of oil and gas taxes deposited in the state disaster relief fund from \$20 million to \$15 million.
- Removes a section added by the Senate to provide an exemption to allow approximately \$80,000 appropriated from the state disaster relief fund for road grade raising projects to be continued into the 2019-21 biennium.
- Removes a section added by the Senate to provide an exemption to allow

approximately \$3.9 million appropriated from the state disaster relief fund for unclosed state disasters to be continued into the 2019-21 biennium. The House appropriated the additional funding for the 2019-21 biennium.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2297**

Page 1, line 3, after the semicolon insert "to provide an exemption;"

Page 1, line 5, replace "The" with "Subject to the provisions of this section, the"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 11 with:

"North Dakota state university Dunbar Hall	\$40,000,000
Valley City state university communications and fine arts building project	30,000,000
University of North Dakota Gamble Hall project	6,000,000
Dickinson state university Pulver Hall	4,000,000
Total	\$80,000,000

1. North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the Dunbar Hall project. There is appropriated to North Dakota state university the sum of \$11,200,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act and ending June 30, 2021. North Dakota state university shall commence construction on the Dunbar Hall project before July 1, 2020. North Dakota state university shall adjust the scope of the project as necessary to match the amount of cash available for the project on the date construction commences.
2. Valley City state university may obtain and utilize local funds obtained from fundraising or other sources for the communications and fine arts building project. There is appropriated to Valley City state university the sum of \$2,275,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act and ending June 30, 2021. Valley City state university must commence construction on the communications and fine arts building project before July 1, 2020. Valley City state university shall adjust the scope of the project as necessary to match the amount of cash available for the project on the date construction commences.
3.
  - a. The university of North Dakota may obtain and utilize local funds obtained from fundraising or other sources for the Gamble Hall project. There is appropriated to the university of North Dakota the sum of \$55,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act and ending June 30, 2021.
  - b. The industrial commission may issue evidences of indebtedness for the Gamble Hall project only if the university of North Dakota certifies to the industrial commission and the director of the office of management and budget that \$55,000,000 of local and other nonstate funds has been obtained for the project.

**SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.**

Subject to the provisions of this section, the funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the following institutions for the identified capital projects, for the period beginning with the effective date of this Act and ending June 30, 2019, as follows:

Bismarck state college nursing building	\$8,900,000
Dakota college at Bottineau dining hall and other projects	1,000,000

Lake region state college precision agriculture project	1,000,000
University of North Dakota Gamble Hall project	<u>9,000,000</u>
Total general fund	\$19,900,000

Section 54-44.1-11 does not apply to the funding in this section and any funds not spent by June 30, 2019, may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021. The appropriation for the Gamble Hall project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and is available only if the university of North Dakota certifies to the director of the office of management and budget that \$55,000,000 of local and other nonstate funds has been obtained for the project."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2297 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
University of North Dakota				
Total all funds	\$0	\$0	\$61,000,000	\$61,000,000
Less estimated income	<u>0</u>	<u>0</u>	<u>61,000,000</u>	<u>61,000,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
North Dakota State University				
Total all funds	\$0	\$111,200,000	(\$60,000,000)	\$51,200,000
Less estimated income	<u>0</u>	<u>111,200,000</u>	<u>(60,000,000)</u>	<u>51,200,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
Dickinson State University				
Total all funds	\$0	\$4,500,000	(\$500,000)	\$4,000,000
Less estimated income	<u>0</u>	<u>4,500,000</u>	<u>(500,000)</u>	<u>4,000,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
Valley City State University				
Total all funds	\$0	\$32,275,000	\$0	\$32,275,000
Less estimated income	<u>0</u>	<u>32,275,000</u>	<u>0</u>	<u>32,275,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
Northern Crops Institute				
Total all funds	\$0	\$18,000,000	(\$18,000,000)	\$0
Less estimated income	<u>0</u>	<u>18,000,000</u>	<u>(18,000,000)</u>	<u>0</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00
Bill total				
Total all funds	\$0	\$165,975,000	(\$17,500,000)	\$148,475,000
Less estimated income	<u>0</u>	<u>165,975,000</u>	<u>(17,500,000)</u>	<u>148,475,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

#### Senate Bill No. 2297 - University of North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Capital assets			\$61,000,000	\$61,000,000
Total all funds	\$0	\$0	\$61,000,000	\$61,000,000
Less estimated income	<u>0</u>	<u>0</u>	<u>61,000,000</u>	<u>61,000,000</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department 230 - University of North Dakota - Detail of House Changes**

	Adds Funding for Gamble Hall Project <sup>1</sup>	Total House Changes
Capital assets	\$61,000,000	\$61,000,000
Total all funds	\$61,000,000	\$61,000,000
Less estimated income	61,000,000	61,000,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Special fund authority of \$61,000,000 is added for the Gamble Hall project from bond proceeds (\$6,000,000) and from funds obtained from fundraising and other local sources (\$55,000,000). A 2017-19 biennium general fund appropriation of \$9,000,000 is also provided for the project for a total project cost of \$70,000,000. The bonding authority and general fund appropriation for the project are available only if the University of North Dakota certifies to the Industrial Commission and Office of Management and Budget that \$55,000,000 of local and other nonstate funds has been obtained for the project.

**Senate Bill No. 2297 - North Dakota State University - House Action**

	Base Budget	Senate Version	House Changes	House Version
Capital assets		\$111,200,000	(\$60,000,000)	\$51,200,000
Total all funds	\$0	\$111,200,000	(\$60,000,000)	\$51,200,000
Less estimated income	0	111,200,000	(60,000,000)	51,200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department 235 - North Dakota State University - Detail of House Changes**

	Adjusts Funding for Capital Projects <sup>1</sup>	Total House Changes
Capital assets	(\$60,000,000)	(\$60,000,000)
Total all funds	(\$60,000,000)	(\$60,000,000)
Less estimated income	(60,000,000)	(60,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding added by the Senate for the Dunbar Hall project is adjusted as follows:

	Senate	House	Difference
Bonding	\$51,200,000	\$40,000,000	(\$11,200,000)
Other funds	0	11,200,000	11,200,000
Total	\$51,200,000	\$51,200,000	\$0

This amendment also removes \$60 million of funding from bond proceeds and other funds added by the Senate for the Agriculture Products Development Center project.

**Senate Bill No. 2297 - Dickinson State University - House Action**

	Base Budget	Senate Version	House Changes	House Version
Capital assets		\$4,500,000	(\$500,000)	\$4,000,000
Total all funds	\$0	\$4,500,000	(\$500,000)	\$4,000,000
Less estimated income	0	4,500,000	(500,000)	4,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00



**Department 239 - Dickinson State University - Detail of House Changes**

	Adjusts Funding for Pulver Hall Project <sup>1</sup>	Total House Changes
Capital assets	(\$500,000)	(\$500,000)
Total all funds	(\$500,000)	(\$500,000)
Less estimated income	(500,000)	(500,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding from bond proceeds added by the Senate for the Pulver Hall project is reduced from \$4,500,000 to \$4,000,000.

**Department 242 - Valley City State University - Detail of House Changes**

	Adjusts Funding for Communications and Fine Arts Building Project <sup>1</sup>	Total House Changes
Capital assets		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding added by the Senate for the Communications and Fine Arts Building project is adjusted as follows:

	Senate	House	Difference
Bonding	\$32,275,000	\$30,000,000	(\$2,275,000)
Other funds	0	2,275,000	2,275,000
Total	\$32,275,000	\$32,275,000	\$0

**Senate Bill No. 2297 - Northern Crops Institute - House Action**

	Base Budget	Senate Version	House Changes	House Version
Capital assets		\$18,000,000	(\$18,000,000)	
Total all funds	\$0	\$18,000,000	(\$18,000,000)	\$0
Less estimated income	0	18,000,000	(18,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

**Department 638 - Northern Crops Institute - Detail of House Changes**

	Removes Funding for Building Project <sup>1</sup>	Total House Changes
Capital assets	(\$18,000,000)	(\$18,000,000)
Total all funds	(\$18,000,000)	(\$18,000,000)
Less estimated income	(18,000,000)	(18,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding added by the Senate from bond proceeds and other funds for the Northern Crops Institute building project is removed.

**Senate Bill No. 2297 - Other Changes - House Action**

This amendment also provides a 2017-19 biennium general fund appropriation of \$19.9 million for the following projects:

Bismarck State College nursing building	\$8,900,000
Dakota College at Bottineau dining hall and other projects	1,000,000
University of North Dakota Gamble Hall project	9,000,000
Lake Region State College precision agriculture project	1,000,000
Total general fund	\$19,900,000

Provisions are also added to allow the institutions to continue any unexpended general fund appropriations for the projects into the 2019-21 biennium.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2139 and SCR 4001.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2003, SB 2009, SB 2010, SB 2013, SB 2315, and SB 2346, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2003:** Sens. Sorvaag; Bekkedahl; Grabinger

**SB 2009:** Sens. Wanzek; Erbele; Grabinger

**SB 2010:** Sens. Oehlke; Erbele; Grabinger

**SB 2013:** Sens. Holmberg; Poolman; Robinson

**SB 2315:** Sens. Luick; Erbele; O. Larsen

**SB 2346:** Sens. Klein; Myrdal; 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 2005:** Reps. Bellew; Kempenich; Beadle

**SB 2020:** Reps. Schmidt; Monson; Boe

**SB 2022:** Reps. Kempenich; Bellew; Howe

**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 2006:** Reps. Beadle; Headland; Mock

**SB 2019:** Reps. Martinson; Schatz; Boe

**SB 2023:** Reps. Bellew; Kempenich; Mock

**SB 2114:** Reps. Vetter; Hanson; Paur

**SB 2172:** Reps. Heinert; Porter; Eidson

**SB 2265:** Reps. Owens; Monson; Sanford

**SB 2269:** Reps. Satrom; McWilliams; Schreiber-Beck

**SB 2345:** Reps. D. Johnson; Dobervich; Trottier

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1016, HB 1017, HB 1023, HB 1106, HB 1237, HB 1251, HB 1259, HB 1275, HB 1395, and HB 1520.

**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 1014, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1014:** Reps. Brandenburg; Vigasaa; Mock

**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 1024:** Sens. Bekkedahl; Hogue; Mathern

**HB 1393:** Sens. Dwyer; Myrdal; Bakke

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Skroch to replace Rep. Schreiber-Beck on the Conference Committee on SB 2269.

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

**MR. SPEAKER:** The President has appointed Sen. Kannianen to replace Sen. Unruh on the Conference Committee on HB 1474.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2146.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2100.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2342.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1366, HB 1412.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1454, HB 1468.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2021, SB 2124, SB 2304.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2055, SB 2244.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HCR 3059.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2021, SB 2124, SB 2304.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2055, SB 2244.

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

**MR. SPEAKER:** The President has signed: SB 2021, SB 2124, SB 2304.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1388.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 15, 2019: SB 2021, SB 2124, SB 2304.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 15, 2019, I have signed the following: SB 2011, SB 2041, SB 2058, SB 2264, and SB 2320.

**MOTION**

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

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth

orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Tuesday, April 16, 2019, which motion prevailed.

#### REPORT OF STANDING COMMITTEE

**HB 1001, 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 1001 was placed on the Sixth order on the calendar.

Page 1, line 3, after "appropriations" insert "; to provide a continuing appropriation; to create and enact two new sections to chapter 15-03 of the North Dakota Century Code, relating to a presidential library operating and maintenance endowment fund and a presidential documents digitization endowment fund"

Page 1, replace lines 18 through 24 with:

"Salaries and wages	\$10,233,424	\$957,420	\$11,190,844
Operating expenses	3,694,591	710,647	4,405,238
Capital assets	6,000	100,000	106,000
National conference of state legislatures	225,155	38,278	263,433
Total all funds	\$14,159,170	\$1,806,345	\$15,965,515
Less estimated income	0	140,000	140,000
Total general fund	\$14,159,170	\$1,666,345	\$15,825,515"

Page 2, replace lines 5 through 10 with:

"Salaries and wages	\$9,049,530	\$916,187	\$9,965,717
Operating expenses	2,911,608	231,749	3,143,357
Capital assets	0	6,000	6,000
Total all funds	\$11,961,138	\$1,153,936	\$13,115,074
Less estimated income	70,000	0	70,000
Total general fund	\$11,891,138	\$1,153,936	\$13,045,074"

Page 2, replace lines 16 through 18 with:

"Grand total general fund	\$26,050,308	\$2,820,281	\$28,870,589
Grand total special funds	70,000	140,000	210,000
Grand total all funds	\$26,120,308	\$2,960,281	\$29,080,589"

Page 3, after line 16, insert:

**"SECTION 4. CONTINGENT APPROPRIATION - TRANSFERS.** If the actual legacy fund earnings transferred to the general fund at the end of the 2019-21 biennium in accordance with section 26 of article X of the Constitution of North Dakota exceed the estimate made by the sixty-sixth legislative assembly by at least \$124,370,000, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$60,000,000, of which the state treasurer shall immediately transfer \$50,000,000 of the sum to the presidential library operating and maintenance endowment fund and shall immediately transfer \$10,000,000 of the sum to the presidential documents digitization endowment fund, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 4, after line 11, insert:

**"SECTION 8.** A new section to chapter 15-03 of the North Dakota Century Code is created and enacted as follows:

**Presidential library operating and maintenance endowment fund - Continuing appropriation.**

1. There is created in the state treasury the presidential library operating and maintenance endowment fund. The board of university and school lands shall manage the fund and shall supervise the investment of moneys in the fund.

2. The interest and earnings of the fund are appropriated on a continuing basis to the board of university and school lands to provide annual grants for the operating and maintenance costs of presidential libraries located in North Dakota.

**SECTION 9.** A new section to chapter 15-03 of the North Dakota Century Code is created and enacted as follows:

**Presidential documents digitization endowment fund - Continuing appropriation.**

There is created in the state treasury the presidential documents digitization endowment fund. The board of university and school lands shall manage the fund and shall supervise the investment of moneys in the fund. The interest and earnings of the fund are appropriated on a continuing basis to the board of university and school lands to provide annual grants to educational institutions and educational institution foundations for the digitization of documents related to Theodore Roosevelt."

Page 7, line 6, replace "eighty-five" with "eighty-six"

Page 8, line 31, replace "fifteen" with "eighteen"

Page 9, line 8, replace "sixty-nine" with "seventy-one"

Page 10, line 9, replace "eighty-five" with "eighty-six"

Page 10, line 18, replace "7 and 9" with "10 and 12"

Page 10, line 19, replace "8 and 10" with "11 and 13"

Page 10, after line 19, insert:

**"SECTION 15. EFFECTIVE DATE.** Subsection 2 of the new section to chapter 15-03 of the North Dakota Century Code, as created in section 8 of this Act, becomes effective when a presidential library foundation certifies to the commissioner of university and school lands that:

1. The presidential library foundation has received the sum of \$100,000,000 in cash donations and binding pledged donations for the construction of a presidential library and for grants to affected entities; and
2. The foundation has donated \$300,000 to a city in North Dakota for prior costs incurred related to planning for a presidential library."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1001 - Summary of Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Legislative Assembly				
Total all funds	\$14,159,170	\$15,908,865	\$56,650	\$15,965,515
Less estimated income	0	140,000	0	140,000
General fund	\$14,159,170	\$15,768,865	\$56,650	\$15,825,515
FTE	0.00	0.00	0.00	0.00
Legislative Council				
Total all funds	\$11,961,138	\$13,025,746	\$89,328	\$13,115,074
Less estimated income	70,000	70,000	0	70,000
General fund	\$11,891,138	\$12,955,746	\$89,328	\$13,045,074
FTE	36.00	36.00	0.00	36.00
Bill total				
Total all funds	\$26,120,308	\$28,934,611	\$145,978	\$29,080,589
Less estimated income	70,000	210,000	0	210,000

General fund	\$26,050,308	\$28,724,611	\$145,978	\$28,870,589
FTE	36.00	36.00	0.00	36.00

**House Bill No. 1001 - Legislative Assembly - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$10,233,424	\$11,160,537	\$30,307	\$11,190,844
Operating expenses	3,694,591	4,405,238		4,405,238
Capital assets	6,000	106,000		106,000
National Conf. of State Legislatures	225,155	237,090	26,343	263,433
Total all funds	\$14,159,170	\$15,908,865	\$56,650	\$15,965,515
Less estimated income	0	140,000	0	140,000
General fund	\$14,159,170	\$15,768,865	\$56,650	\$15,825,515
FTE	0.00	0.00	0.00	0.00

**Department 150 - Legislative Assembly - Detail of Senate Changes**

	Adjusts Funding for Legislative Pay Increases <sup>1</sup>	Adjusts Funding for Salary Increases for Temporary Session Staff <sup>2</sup>	Increases Funding for National Conference of State Legislatures Dues <sup>3</sup>	Total Senate Changes
Salaries and wages	\$23,201	\$7,106		\$30,307
Operating expenses				
Capital assets				
National Conf. of State Legislatures			\$26,343	26,343
Total all funds	\$23,201	\$7,106	\$26,343	\$56,650
Less estimated income	0	0	0	0
General fund	\$23,201	\$7,106	\$26,343	\$56,650
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added to provide legislative compensation adjustments of 2 percent on July 1, 2019, and 2.5 percent on July 1, 2020, for regular and organizational sessions, legislators' monthly compensation, and additional monthly compensation for legislative leaders. The House provided funding for legislative compensation adjustments of 2 percent on July 1, 2019, and 2 percent on July 1, 2020. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2019	Rate Effective July 1, 2020
Daily session pay	\$177	\$181	\$186
Monthly compensation	\$495	\$505	\$518
Leaders' additional monthly compensation	\$355	\$362	\$371

<sup>2</sup> Funding is added for compensation adjustments of 2 percent on July 1, 2019, and 2.5 percent on July 1, 2020, for temporary session staff.

<sup>3</sup> Funding is added for National Conference of State Legislatures dues to provide for 100 percent of the estimated assessment, or \$263,433, for the 2019-21 biennium. The House provided funding for 90 percent of the dues assessment, or \$237,090.

This amendment also amends statutory sections related to legislative compensation to provide an increase of 2 percent on July 1, 2019, and 2.5 percent on July 1, 2020, for organizational and regular session pay, legislators' monthly compensation, and additional monthly compensation for legislative leaders.

**House Bill No. 1001 - Legislative Council - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$9,049,530	\$9,936,389	\$29,328	\$9,965,717
Operating expenses	2,911,608	3,083,357	60,000	3,143,357
Capital assets		6,000		6,000
Total all funds	\$11,961,138	\$13,025,746	\$89,328	\$13,115,074
Less estimated income	70,000	70,000	0	70,000
General fund	\$11,891,138	\$12,955,746	\$89,328	\$13,045,074
FTE	36.00	36.00	0.00	36.00

**Department 160 - Legislative Council - Detail of Senate Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Funding for Legislator Per Diem <sup>2</sup>	Increases Funding for Professional Services <sup>3</sup>	Total Senate Changes
Salaries and wages	\$27,242	\$2,086		\$29,328
Operating expenses			\$60,000	60,000
Capital assets				
Total all funds	\$27,242	\$2,086	\$60,000	\$89,328
Less estimated income	0	0	0	0
General fund	\$27,242	\$2,086	\$60,000	\$89,328
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> 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 House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding is added to provide for compensation adjustments of 2 percent on July 1, 2019, and 2.5 percent on July 1, 2020, for legislators' attendance at interim meetings. The House provided funding for compensation adjustments of 2 percent on July 1, 2019, and 2 percent on July 1, 2020. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2019	Rate Effective July 1, 2020
Interim meeting pay	\$177	\$181	\$186

<sup>3</sup> Funding for professional services is increased to provide a total of \$200,000. The House did not increase funding for professional services.

This amendment also amends statutory sections related to interim committee pay to provide an increase of 2 percent on July 1, 2019, and 2.5 percent on July 1, 2020.

**House Bill No. 1001 - Other Changes - Senate Action****Presidential Library Operating and Maintenance Endowment Fund - Presidential Documents Digitization Endowment Fund**

Sections are added:

- Creating a presidential library operating and maintenance endowment fund to be invested and managed by the Board of University and School Lands;
- Creating a presidential documents digitization endowment fund to be invested and managed by the Board of University and School Lands;
- Providing a \$50 million general fund transfer to the presidential library operating and maintenance endowment fund and a \$10 million general fund transfer to the presidential documents digitization endowment fund during the 2019-21 biennium contingent on 2019-21 biennium legacy fund earnings exceeding legislative estimates by at least \$124,370,000;
- Appropriating on a continuing basis the interest and earnings of the presidential library operating and maintenance endowment fund to the Board of University and School Lands to provide grants for the operations and maintenance of the presidential library with the continuing appropriation not becoming effective until the presidential library foundation certifies that:
  - It has raised \$100 million through cash donations and binding pledge donations for the construction of a presidential library; and
  - It has donated \$300,000 to the City of Dickinson for prior costs incurred relating to the presidential library; and
- Appropriating on a continuing basis the interest and earnings of the presidential documents digitization endowment fund to the Board of University and School Lands

to provide grants for the digitization of documents relating to Theodore Roosevelt.

#### REPORT OF STANDING COMMITTEE

**HB 1439, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1439 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact section 47-31-09 of the North Dakota Century Code;"

Page 1, line 2, remove "relating to injecting substances for oil, gas, and mineral production;"

Page 1, line 2, after "reenact" insert "sections 57-06-17.1 and 57-39.2-04.14,"

Page 1, line 3, after "57-51.1-03" insert ", and section 57-60-06"

Page 1, line 3, after "to" insert "a property tax exemption for pipelines used for secure geologic storage, a sales and use tax exemption for materials used for secure geologic storage,"

Page 1, line 5, after "dioxide" insert ", and property classification of secure geologic storage equipment for coal conversion tax purposes"

Page 1, replace lines 7 through 15 with:

**"SECTION 1. AMENDMENT.** Section 57-06-17.1 of the North Dakota Century Code is amended and reenacted as follows:

#### **57-06-17.1. Carbon dioxide pipeline exemption.**

Property, not including land, is exempt from taxation during construction and for the first ten full taxable years following initial operation if it consists of a pipeline, constructed after 1996, and necessary associated equipment for the transportation or storage of carbon dioxide for secure geologic storage or use in enhanced recovery of oil or natural gas.

**SECTION 2. AMENDMENT.** Section 57-39.2-04.14 of the North Dakota Century Code is amended and reenacted as follows:

#### **57-39.2-04.14. Sales and use tax exemption for materials used in compressing, gathering, collecting, storing, transporting, or injecting carbon dioxide for secure geologic storage or use in enhanced recovery of oil or natural gas.**

1. Gross receipts from sales of tangible personal property used to construct or expand a system used to compress, gather, collect, store, transport, or inject carbon dioxide for secure geologic storage or use in enhanced recovery of oil or natural gas in this state are exempt from taxes under this chapter. To be exempt, the tangible personal property must be incorporated into a system used to compress, gather, collect, store, transport, or inject carbon dioxide for secure geologic storage or use in enhanced recovery of oil or natural gas. Tangible personal property used to replace an existing system to compress, gather, collect, store, transport, or inject carbon dioxide for secure geologic storage or use in enhanced recovery of oil or natural gas does not qualify for exemption under this section unless the replacement creates an expansion of the system.
2. To receive the exemption under this section at the time of purchase, the owner of the gas compressing, gathering, collecting, storing, transporting, or injecting system must receive from the tax commissioner a certificate that the tangible personal property used to construct or expand a system used to compress, gather, collect, store, transport, or inject carbon dioxide for secure geologic storage or use in enhanced recovery of oil or



natural gas qualifies for the exemption. If a certificate is not received before the purchase, the owner shall pay the applicable tax imposed by this chapter and apply to the tax commissioner for a refund.

3. If the tangible personal property is purchased or installed by a contractor subject to the tax imposed by this chapter, the owner of the gas compressing, gathering, collecting, storing, transporting, or injecting system may apply to the tax commissioner for a refund of the difference between the amount remitted by the contractor and the exemption imposed or allowed by this section. Application for a refund must be made at the time and in the manner directed by the tax commissioner and must include sufficient information to permit the tax commissioner to verify the sales and use taxes paid and the exempt status of the sale or use.
4. This chapter and chapter 57-40.2 apply to the exemption under this section."

Page 6, after line 24, insert:

**"SECTION 4. AMENDMENT.** Section 57-60-06 of the North Dakota Century Code is amended and reenacted as follows:

**57-60-06. Property classified and exempted from ad valorem taxes - In lieu of certain other taxes - Credit for certain other taxes.**

Each coal conversion facility and any carbon dioxide capture system located at the coal conversion facility, and any equipment directly used for secure geologic storage of carbon dioxide or enhanced recovery of oil or natural gas must be classified as personal property and is exempt from all ad valorem taxes except for taxes on the land on which the facility, capture system, or equipment is located. The exemption provided by this section may not be interpreted to apply to tangible personal property incorporated as a component part of a carbon dioxide pipeline but this restriction does not affect eligibility of such a pipeline for the exemption under section 57-06-17.1. The taxes imposed by this chapter are in lieu of ad valorem taxes on the property so classified as personal property."

Page 6, line 25, replace "This Act becomes" with "Section 3 of this Act becomes"

Page 6, line 25, after the period insert "Sections 1 and 4 of this Act are effective for taxable years beginning after December 31, 2018. Section 2 of this Act is effective for taxable events occurring after June 30, 2019."

Renumber accordingly

**REPORT OF CONFERENCE COMMITTEE**

**SB 2007, as engrossed:** Your conference committee (Sens. Poolman, Sorvaag, Robinson and Reps. Howe, Beadle, Bellew) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1307-1308 and place SB 2007 on the Seventh order.

Engrossed SB 2007 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2037, as reengrossed:** Your conference committee (Sens. J. Roers, Kreun, Piepkorn and Reps. Lefor, Roers Jones, Marschall) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1025-1026, adopt amendments as follows, and place SB 2037 on the Seventh order:

That the House recede from its amendments as printed on pages 1025 and 1026 of the Senate Journal and pages 1219 and 1220 of the House Journal and that Reengrossed Senate Bill No. 2037 be amended as follows:

Page 1, line 7, remove "and"

Page 1, line 7, after "penalty" insert "; and to provide a continuing appropriation"

Page 8, line 12, after the boldfaced period insert "**General prohibition.**"

The placement, storage, exploration, testing, or disposal of high-level radioactive waste within the exterior boundaries of North Dakota is prohibited. If this provision is superseded by federal law, the remaining provisions of this chapter continue to apply. This section does not limit the authority of the legislative assembly or the commission to issue a notice of disapproval under this chapter.

**38-23-02.**"

Page 8, line 29, replace "**38-23-02**" with "**38-23-03**"

Page 11, line 13, replace "**38-23-03**" with "**38-23-04**"

Page 11, line 18, after the underscored period insert "A county position paper must be made public at the time the permit application is submitted."

Page 13, line 1, replace "**38-23-04**" with "**38-23-05**"

Page 13, line 9, replace "**38-23-05**" with "**38-23-06**"

Page 13, line 12, replace "**38-23-06**" with "**38-23-07**"

Page 13, after "**fund**" insert "- **Continuing appropriation**"

Page 13, line 16, after the underscored period insert "This fund must be maintained as a special fund and all moneys transferred into the fund are hereby appropriated and must be used and disbursed solely for the purposes of this chapter."

Page 13, line 17, replace "**38-23-07**" with "**38-23-08**"

Page 13, line 29, replace "One senator" with "Two senators"

Page 14, line 1, replace "One representative" with "Two representatives"

Page 14, after line 19, insert:

"d. Report its findings biennially to the commission and to the legislative management."

Page 14, line 20, replace "**38-23-08**" with "**38-23-09**"

Renumber accordingly

Reengrossed SB 2037 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2247, as engrossed:** Your conference committee (Sens. J. Lee, O. Larsen, Hogan and Reps. Kiefert, Tveit, Dobervich) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 963, adopt amendments as follows, and place SB 2247 on the Seventh order:

That the House recede from its amendments as printed on page 963 of the Senate Journal and page 1145 of the House Journal and that Engrossed Senate Bill No. 2247 be amended as follows:

Page 1, line 12, after "of" insert "no more than eighteen"

Page 1, line 13, overstrike "and" and insert immediately thereafter "which must include no more than two clients, no more than one family member of a client, a representative of the"

Page 1, line 13, overstrike the second "representatives" and insert immediately thereafter "and a representative of the North Dakota protection and advocacy project"

Renumber accordingly

Engrossed SB 2247 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2344, as engrossed:** Your conference committee (Sens. Unruh, Schaible, Piepkorn and Reps. Keiser, Roers Jones, Mitskog) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1167, adopt amendments as follows, and place SB 2344 on the Seventh order:

That the House recede from its amendments as printed on page 1167 of the Senate Journal and page 1330 of the House Journal and that Engrossed Senate Bill No. 2344 be amended as follows:

Page 1, line 8, remove "**Temporary storage of natural gas** -"

Page 1, line 12, remove "the temporary"

Page 1, line 13, remove "underground storage of natural gas:"

Page 1, line 16, remove "It is a valid exercise of the state's police powers to discourage the flaring of natural"

Page 1, remove lines 17 through 19

Page 1, line 20, remove "3."

Page 1, line 20, remove "and"

Page 1, line 21, remove "the global environment by reducing greenhouse gas emissions"

Page 2, line 3, replace "4." with "3."

Page 2, line 6, replace "5." with "4."

Page 2, line 6, after "interest" insert "for"

Page 2, line 8, remove "the temporary storage of natural gas."

Page 2, line 12, replace "6." with "5."

Page 2, line 12, remove "operations for"

Page 2, line 13, remove "temporary storage of natural gas."

Page 2, line 19, after the second "the" insert "subsurface geologic"

Page 2, line 19, remove "temporary storage of natural gas."

Page 2, line 21, after the third underscored comma insert "disposal operations."

Page 2, line 24, replace "7." with "6."

Page 2, line 30, overstrike "necessary to exercise the police power of" and insert immediately thereafter "incumbent on"

Page 3, line 2, remove "for, and development of, oil and gas reserves in"

Page 3, remove line 3

Page 3, line 4, remove "including"

Page 3, after line 11, insert:

- "4. This chapter may not be construed to alter, amend, repeal, or modify the law concerning title to pore space under section 47-31-03."

Page 4, after line 10 insert:

- "1."

Page 4, after line 15, insert:

- "2. This section and chapter 38-08 may not be construed to impair the obligations of any contract for use of the surface estate for disposal operations, provided the contract was entered before the effective date of the unit approved by the commission pursuant to sections 38-08-09 through 38-08-09.17, and provided the disposal well is located within the unit area of the approved unit.
3. This section and chapter 38-08 may not be construed to allow the operator of a disposal well where the contract has expired after the effective date of the unit approved by the commission pursuant to sections 38-08-09 through 38-08-09.17 to claim the surface owner should not be compensated as if the new contract for the disposal well on which the contract has expired had been entered after the effective date of the approved unit.
4. The owner of the surface estate upon which the surface location of a disposal well is located does not lose, and may not be deemed to have lost, a claim for trespass, nuisance, or other tort if the operator of the disposal well commences or continues operations of the disposal well in violation of subsections 2 or 3."

Renumber accordingly

Engrossed SB 2344 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1366, as engrossed:** Your conference committee (Sens. J. Roers, Kreun, Piepkorn and Reps. D. Anderson, Zubke, Mitskog) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1325, adopt amendments as follows, and place HB 1366 on the Seventh order:

That the Senate recede from its amendments as printed on page 1325 of the House Journal and page 1029 of the Senate Journal and that Engrossed House Bill No. 1366 be amended as follows:

Page 1, line 11, remove "eight"

Page 1, line 11, overstrike "by thirty-two millimeters" and insert immediately thereafter "eight"

Renumber accordingly

Engrossed HB 1366 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1412, as engrossed:** Your conference committee (Sens. Schaible, J. Roers, Piepkorn and Reps. Lefor, Marschall, Eidson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1325-1326, adopt amendments as follows, and place HB 1412 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1325 and 1326 of the House Journal and pages 1029 and 1030 of the Senate Journal and that Engrossed House Bill No. 1412 be amended as follows:

Page 1, line 1, replace "section" with "sections"

Page 1, line 1, after "20.1-01-08" insert "and 20.1-05-04"

Page 1, line 8, after the first "take" insert an underscored comma

Page 1, line 10, overstrike ". This section does not make it unlawful for an" and insert immediately thereafter "except:

1. An"

Page 1, line 10, overstrike "to" and insert immediately thereafter "may"

Page 1, line 11, remove "digital"

Page 1, line 14, overstrike "person's" and insert immediately thereafter "individual's"

Page 1, line 14, overstrike ". It is"

Page 1, line 15, overstrike "permissible to" and insert immediately thereafter "": and

2. An individual may"

Page 1, line 15, remove "digital"

Page 1, after line 19, insert:

**"SECTION 2. AMENDMENT.** Section 20.1-05-04 of the North Dakota Century Code is amended and reenacted as follows:

**20.1-05-04. Using certain animals and artificial lights in taking big game unlawful.**

~~No person, to hunt, pursue, kill, take, or attempt~~While hunting, pursuing, killing, taking, or attempting to take, or to aid in the hunting or taking of, any big game animal, an individual may not:

1. Use any animal except horses or mules.
2. Use ~~any~~ artificial light, including ~~spotlights and a spotlight or~~ automobile and/or motorcycle headlights~~headlight~~.
3. Engage in the practice commonly known as shining for deer. An individual who shines ~~any~~ an area commonly frequented by big game animals with ~~any~~ artificial light, between the hours of sunset and sunrise, is in violation of this section. However, an individual may use a ~~flashlight~~ an artificial light, night vision, thermal vision, or infrared light with a power source of not ~~over~~ more than six volts in the area while hunting afoot to take coyote, fox, raccoon, or beaver."

Renumber accordingly

Engrossed HB 1412 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1454, as engrossed:** Your conference committee (Sens. Davison, Fors, Marcellais and Reps. Pyle, Longmuir, Guggisberg) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1308 and place HB 1454 on the Seventh order.

Engrossed HB 1454 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1468, as engrossed:** Your conference committee (Sens. Kreun, J. Roers, Piepkorn and Reps. Bosch, Richter, P. Anderson) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1284 and place HB 1468 on the Seventh order.

Engrossed HB 1468 was placed on the Seventh order of business on the calendar.

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

**Shanda Morgan, Secretary**