

## JOURNAL OF THE SENATE

## Sixty-sixth Legislative Assembly

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Bismarck, April 26, 2019

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

The prayer was offered by Senator Robert Erbele, District 28.

The roll was called and all members were present.

A quorum was declared by the President.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2148.

**HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2148**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study regarding article XIV of the Constitution of North Dakota and related issues."

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - ETHICS COMMISSION AND LEGISLATIVE ASSEMBLY RESPONSIBILITIES.** During the 2019-20 interim, the legislative management shall study the implementation and requirements of article XIV of the Constitution of North Dakota concerning the transparency of funding sources, lobbyists, conflicts of interest, and related matters, the responsibilities of the legislative assembly and the ethics commission, and potential issues under the Constitution of the United States and the Constitution of North Dakota. The members of the ethics commission must be invited to participate on the study committee as nonvoting members. The study must include a review of existing laws and laws enacted to implement article XIV and consideration of whether the civil and criminal sanctions for violations of the constitutional provisions and the statutes are appropriate; whether legislative action regarding article XIV is necessary or desirable; and an effective means to educate public officials, lobbyists, and the public on the requirements of article XIV and other laws regarding government ethics. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

**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 1011, HB 1013, HB 1396.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003, HB 1012, HB 1014.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1006, HB 1010, HB 1374, HB 1393, HB 1429.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2008, as engrossed:** Your conference committee (Sens. G. Lee, Wanzek, Grabinger and Reps. Brandenburg, Bellew, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1627-1629, adopt amendments as follows, and place SB 2008 on the Seventh order:

That the House recede from its amendments as printed on pages 1627-1629 of the Senate Journal and pages 1836-1838 of the House Journal and that Engrossed Senate Bill No. 2008 be amended as follows:

Page 1, line 4, after the first semicolon insert "to provide for a study;"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$9,197,284	\$298,276	\$9,495,560
Operating expenses	1,829,826	(66,000)	1,763,826
Capital assets	10,000	15,000	25,000
Grants	20,000	0	20,000
Abandoned mined lands contractual	6,000,000	0	6,000,000
Rail rate complaint case	900,000	0	900,000
Railroad safety program	564,668	24,350	589,018
Specialized legal services	<u>94,000</u>	<u>336,000</u>	<u>430,000</u>
Total all funds	\$18,615,778	\$607,626	\$19,223,404
Less estimated income	<u>11,985,016</u>	<u>523,460</u>	<u>12,508,476</u>
Total general fund	\$6,630,762	\$84,166	\$6,714,928
Full-time equivalent positions	45.00	(2.00)	43.00"

Page 2, after line 24, insert :

**"SECTION 4. APPROPRIATION - GRAIN INSOLVENCY LITIGATION.**

There is appropriated from special funds derived from other income to be received from the agriculture commissioner, the sum of \$100,000, or so much of the sum as may be necessary, to the public service commission, for the purpose of continuing to provide, in consultation with the agriculture commissioner, services related to grain insolvency litigation initiated prior to July 1, 2019. The funding provided in this section is considered a one-time funding item."

Page 2, line 29, replace "fourteen" with "thirteen"

Page 2, line 30, remove the overstrike over "~~six~~"

Page 2, line 30, remove "one"

Page 2, line 30, remove "fifty-four"

Page 3, line 5, remove the overstrike over "~~(Effective July 1, 2015,~~"

Page 3, line 6, remove the overstrike over "~~through June 30,~~"

Page 3, line 6, after "~~2019)~~" insert "2021)"

Page 3, line 10, replace "six hundred fifty-five" with "five hundred nine"

Page 3, line 14, remove the overstrike over "~~Transfer, deposit, and distribution of funds.-(Effective after June 30,~~"

Page 3, line 14, after "~~2019)~~" insert "2021)"

Page 3, line 14, remove the overstrike over "~~All taxes,~~"

Page 3, remove the overstrike over lines 15 through 17

Page 3, after line 17, insert:

**"SECTION 7. RAILROAD INSPECTION STUDY.** During the 2019-20 interim, the public service commission shall study technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission shall report its findings and any related budget recommendations to the appropriations committees of the sixty-seventh legislative assembly."

Renumber accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2008 - Public Service Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$9,197,284	\$10,063,825	(\$568,265)	\$9,495,560	\$9,330,067	\$165,493
Operating expenses	1,829,826	1,883,826	(120,000)	1,763,826	1,758,826	5,000
Capital assets	10,000	25,000		25,000	25,000	
Grants	20,000	20,000		20,000	20,000	
Abandoned mined lands contractual	6,000,000	6,000,000		6,000,000	6,000,000	
Rail rate complaint case	900,000	900,000		900,000	900,000	
Railroad safety program	564,668	589,310	(292)	589,018	589,018	
Specialized legal services	94,000	430,000		430,000	430,000	
Grain licensing			100,000	100,000		100,000
Total all funds	\$18,615,778	\$19,911,961	(\$588,557)	\$19,323,404	\$19,052,911	\$270,493
Less estimated income	11,985,016	12,514,674	93,802	12,608,476	12,508,476	100,000
General fund	\$6,630,762	\$7,397,287	(\$682,359)	\$6,714,928	\$6,544,435	\$170,493
FTE	45.00	46.00	(3.00)	43.00	43.00	0.00

## Department 408 - Public Service Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Transfers Grain Warehouse Inspection Program to the Agriculture Commissioner <sup>2</sup>	Adds Funding for an Accounting Budget Specialist Position <sup>3</sup>	Adds Funding for Grain Licensing Services <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$5,259)	(\$728,499)	\$165,493		(\$568,265)
Operating expenses		(125,000)	5,000		(120,000)
Capital assets					
Grants					
Abandoned mined lands contractual					
Rail rate complaint case					
Railroad safety program	(292)				(292)
Specialized legal services					
Grain licensing legal services				\$100,000	100,000
Total all funds	(\$5,551)	(\$853,499)	\$170,493	\$100,000	(\$588,557)
Less estimated income	(6,198)	0	0	100,000	93,802
General fund	\$647	(\$853,499)	\$170,493	\$0	(\$682,359)
FTE	0.00	(3.00)	0.00	0.00	(3.00)

<sup>1</sup> Funding is adjusted 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 same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

<sup>2</sup> Transfers the grain warehouse license and inspection program to the Agriculture Commissioner, the same as the House version, as follows:

	Salaries and Wages	Operating Expenses	Total General Fund
Removes 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Removes funding for an accounting budget specialist	165,493	5,000	170,493
Total removed	\$728,499	\$125,000	\$853,499

<sup>3</sup> Adds funding for the repurposing of an existing unfunded FTE position to an accounting budget specialist position (\$165,493) and related operating expenses (\$5,000), to assist with accounting duties of the agency.

<sup>4</sup> Adds a section to provide one-time funding from special funds to continue providing services related to grain insolvency litigation initiated prior to July 1, 2019. The funding will be provided by the Agriculture Commissioner. Neither the House nor the Senate version included this section.

This amendment also:

- Provides the statutory changes to increase the Public Service Commissioners' salaries. The Public Service Commissioners' annual salaries would increase from the current level of \$108,656 to \$110,829, effective July 1, 2019, and to \$113,600, effective July 1, 2020, to reflect the 2 percent and 2.5 percent salary increases, the same as the House version. The Senate adjusted salaries by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Amends North Dakota Century Code Section 57-43.2-19 relating to the distribution of funds in the highway tax distribution fund to provide for the allocation to the rail safety fund to continue until June 30, 2021, and to increase the allocation amount from \$285,000 per year to \$294,509 per year, the same as the House version. The Senate removed the expiration date and provided an increase to \$294,655 per year.
- Requires the Public Service Commission to study, during the 2019-20 interim, technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission is to report its findings and related budget recommendations to the 67th Legislative Assembly. The House also included this section.

Engrossed SB 2008 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Poolman, Robinson and Reps. Monson, Sanford, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1484-1492, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1484-1492 of the Senate Journal and pages 1706-1714 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, remove "15-10-38,"

Page 1, line 4, replace "15.1-37-05, 15.1-37-06, and 15.1-37-08" with "15.1-18-10, and 15.1-21-02.6"

Page 1, line 4, remove "a student"

Page 1, line 5, remove "loan forgiveness program for teachers,"

Page 1, remove line 6

Page 1, line 7, replace "grants, and early childhood education provider data collection" with "teaching licenses, and the North Dakota scholarship"

Page 1, line 8, after the first semicolon insert "to provide for a legislative management study;"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 11 with:

"Salaries and wages	\$17,439,176	\$587,859	\$18,027,035
Operating expenses	30,165,005	3,805,942	33,970,947
Integrated formula payments	1,750,204,163	347,998,266	2,098,202,429
Grants - special education	19,300,000	4,700,000	24,000,000
Grants - transportation	55,400,000	1,100,000	56,500,000
Grants - other grants	254,062,705	33,000,000	287,062,705
Grants - program grants	6,210,000	1,470,000	7,680,000
Grants - passthrough grants	2,898,000	(34,236)	2,863,764
PowerSchool	5,500,000	0	5,500,000
Transportation efficiency	30,000	(30,000)	0
National board certification	120,000	(12,000)	108,000
State automated reporting system	0	1,200,000	1,200,000
rewrite			

Total all funds	\$2,141,329,049	\$393,785,831	\$2,535,114,880
Less estimated income	<u>705,727,065</u>	<u>108,026,678</u>	<u>813,753,743</u>
Total general fund	\$1,435,601,984	\$285,759,153	\$1,721,361,137
Full-time equivalent positions	91.75	(2.50)	89.25"

Page 2, replace lines 16 through 21 with:

"Salaries and wages	\$4,152,758	\$147,577	\$4,300,335
Operating expenses	1,604,075	17,842	1,621,917
Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>
Total all funds	\$7,865,861	\$289,919	\$8,155,780
Less estimated income	<u>2,247,560</u>	<u>126,801</u>	<u>2,374,361</u>
Total general fund	\$5,618,301	\$163,118	\$5,781,419"

Page 2, remove lines 27 through 31

Page 3, replace lines 1 and 2 with:

"Salaries and wages	\$7,588,749	\$466,195	\$8,054,944
Operating expenses	2,026,543	(320,957)	1,705,586
Capital assets	158,678	270,000	428,678
Grants	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
Total all funds	\$9,953,970	\$275,238	\$10,229,208
Less estimated income	<u>2,465,444</u>	<u>234,914</u>	<u>2,700,358</u>
Total general fund	\$7,488,526	\$40,324	\$7,528,850"

Page 3, replace lines 8 through 13 with:

"Salaries and wages	\$4,660,995	\$274,296	\$4,935,291
Operating expenses	773,206	42,615	815,821
Capital assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
Total all funds	\$5,473,393	\$577,411	\$6,050,804
Less estimated income	<u>1,079,247</u>	<u>253,568</u>	<u>1,332,815</u>
Total general fund	\$4,394,146	\$323,843	\$4,717,989"

Page 3, replace lines 19 through 21 with:

"Grand total general fund	\$1,453,102,957	\$286,286,438	\$1,739,389,395
Grand total special funds	<u>711,519,316</u>	<u>108,641,961</u>	<u>820,161,277</u>
Grand total all funds	\$2,164,622,273	\$394,928,399	\$2,559,550,672"

Page 4, after line 2, insert:

" State automated reporting system rewrite	0	1,200,000"
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Page 4, replace lines 4 through 8 with:

" Total department of public instruction - all funds	\$191,820,000	\$1,400,000
Total department of public instruction - estimated income	<u>191,820,000</u>	<u>1,200,000</u>
Total department of public instruction -	\$0	\$200,000"

Page 4, replace lines 28 through 30 with:

"Grand total - all funds	\$192,688,500	\$1,950,500
Grand total - estimated income	<u>192,688,500</u>	<u>1,750,500</u>
Grand total - general fund	\$0	\$200,000"

Page 5, line 7, replace "\$379,764,000" with "\$377,764,000"

Page 5, line 13, replace "\$110,000,000" with "\$111,200,000"

Page 5, line 14, after "treasury" insert ", of which \$110,000,000 is"

Page 5, line 14, after "payments" insert "and \$1,200,000 is for a rewrite of the state automated reporting system,"

Page 5, after line 21, insert:

**"SECTION 6. EXEMPTION - ADVANCED PLACEMENT PROGRAMS.** Up to \$600,000 of the unexpended amount remaining from the appropriation for integrated formula payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics programs."

Page 6, line 24, replace "nine" with "eleven"

Page 6, line 26, replace "Fifty-one" with "Fifty-two"

Page 7, line 16, replace "Twenty-nine" with "Thirty"

Page 7, line 23, replace "\$2,136,711" with "\$1,500,000"

Page 8, line 13, replace "\$2,215,764" with "\$2,863,764"

Page 8, line 13, remove "for writing projects, an entrepreneur program,"

Page 8, line 14, remove "governor's school, and a mentoring program"

Page 8, line 15, after "distributed" insert "but no more than one-half of the funding may be provided each year of the biennium"

Page 8, line 15, replace "Grantees" with "Annually grantees"

Page 8, line 17, after "report" insert "annually"

Page 8, line 18, remove "before October 1, 2020"

Page 8, line 18, after the period insert "The superintendent may not distribute the grant payment for the second year of the biennium until the grantee submits the annual report for the first year of the biennium."

Page 8, line 26, replace "\$31,250" with "\$35,714"

Page 9, remove lines 26 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 9

Page 11, line 15, replace "eighteen" with "ten"

Page 11, line 16, remove "one hundred twenty-six thousand five hundred three dollars"

Page 11, line 17, replace "thereafter" with "one hundred twenty-five thousand eight hundred eighty dollars thereafter"

Page 11, after line 17, insert:

**"SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**15.1-18-10. Specialty areas - Teacher qualification.**

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
  - a. Is licensed to teach by the education standards and practices board;
  - b. Is approved to teach in that area by the education standards and practices board; and
  - c. Meets all requirements set forth in rule by the superintendent of public instruction.
2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
  - a. Has a permit issued by the board and has a high school diploma; and
  - b.
    - (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or
    - (2) Possesses a certificate, permit, or degree in the subject area to be taught; ~~or~~
    - (3) ~~Achieves a passing score on the Praxis content test.~~

**SECTION 19. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1.
  - a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.
  - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.

3. A student is not entitled to receive more than six thousand dollars under this section.
4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
5.
  - a. (1) This section does not require a student to be enrolled in consecutive semesters.
  - (2) This section does not require a student to be enrolled in consecutive quarters.
  - b. A scholarship under this section is valid only for six academic years after the student's graduation from high school and may be applied to a graduate program.
6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:
  - a. Graduates from a high school in this state;
  - b. Graduates from a high school in a bordering state under chapter 15.1-29;
  - c. Graduates from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
  - d. Completes a program of home education supervised in accordance with chapter 15.1-23.
7.
  - a. For purposes of North Dakota scholarship eligibility under this section, "full-time" has the same meaning as the term is defined by the institution the student is attending.
  - b. A student who is enrolled less than full-time may retain scholarship eligibility if the student is in the final semester or quarter before graduation. The waiver of the full-time enrollment status requirement for scholarship eligibility may not apply to a student more than once.
  - c. For the purpose of North Dakota scholarship eligibility under this section, "progress toward degree completion" means earning the following minimum number of credits after each semester or quarter term disbursement to qualify for the subsequent disbursement:
    - (1) Twenty-four credits after disbursement two;
    - (2) Thirty-nine credits after disbursement three;
    - (3) Fifty-four credits after disbursement four;
    - (4) Sixty-nine credits after disbursement five;
    - (5) Eighty-four credits after disbursement six; and
    - (6) Ninety-nine credits after disbursement seven."

Page 11, remove lines 18 through 31

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 23 with:

**"SECTION 20. LEGISLATIVE MANAGEMENT STUDY -  
TRANSPORTATION.** During the 2019-20 interim, the legislative management shall



consider studying school transportation, including district routes, expenditures, reimbursement, and possible efficiencies. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

**SECTION 21. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT - ADVANCED PLACEMENT - DISTANCE EDUCATION COURSES.** During the 2019-20 interim, the legislative management shall consider studying dual-credit, advanced placement, and distance education courses. The study must include a review of early enrollment placement testing and the qualifications for dual-credit and advanced placement courses. The study also must include a review of the costs and amounts of funding necessary to provide all students access to dual-credit, advanced placement, and distance education courses, as well as the types of courses available and the delivery methods necessary to provide all students with access. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2013 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Department of Public Instruction						
Total all funds	\$2,141,329,049	\$2,542,794,213	(\$7,679,333)	\$2,535,114,880	\$2,535,249,880	(\$135,000)
Less estimated income	705,727,065	814,542,384	(788,641)	813,753,743	813,753,743	0
General fund	\$1,435,601,984	\$1,728,251,829	(\$6,890,692)	\$1,721,361,137	\$1,721,496,137	(\$135,000)
FTE	91.75	88.75	0.50	89.25	88.75	0.50
State Library						
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780	\$8,155,780	\$0
Less estimated income	2,247,560	2,367,446	6,915	2,374,361	2,374,361	0
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419	\$5,781,419	\$0
FTE	28.75	27.75	0.00	27.75	27.75	0.00
School for the Deaf						
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208	\$10,229,208	\$0
Less estimated income	2,465,444	2,697,196	3,162	2,700,358	2,700,358	0
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850	\$7,528,850	\$0
FTE	45.61	44.61	0.00	44.61	44.61	0.00
Vision Services - School for the Blind						
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804	\$6,050,804	\$0
Less estimated income	1,079,247	1,330,993	1,822	1,332,815	1,332,815	0
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989	\$4,717,989	\$0
FTE	28.50	27.90	0.00	27.90	27.90	0.00
Bill total						
Total all funds	\$2,164,622,273	\$2,567,143,230	(\$7,592,558)	\$2,559,550,672	\$2,559,685,672	(\$135,000)
Less estimated income	711,519,316	820,938,019	(776,742)	820,161,277	820,161,277	0
General fund	\$1,453,102,957	\$1,746,205,211	(\$6,815,816)	\$1,739,389,395	\$1,739,524,395	(\$135,000)
FTE	194.61	189.01	0.50	189.51	189.01	0.50

# Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$17,439,176	\$17,941,456	\$85,579	\$18,027,035	\$17,951,035	\$76,000
Operating expenses	30,165,005	32,169,947	1,801,000	33,970,947	33,781,947	189,000
Integrated formula payments	1,750,204,163	2,106,646,054	(8,443,625)	2,098,202,429	2,098,602,429	(400,000)
Grants - Special education contracts	19,300,000	25,000,000	(1,000,000)	24,000,000	24,000,000	
Grants - Transportation	55,400,000	55,900,000	600,000	56,500,000	56,500,000	
Grants - Other grants	254,062,705	287,062,705		287,062,705	287,062,705	
Grants - Program grants	6,210,000	9,616,711	(1,936,711)	7,680,000	7,680,000	
Grants - Passthrough grants	2,898,000	2,849,340	14,424	2,863,764	2,863,764	
PowerSchool	5,500,000	5,500,000		5,500,000	5,500,000	
Transportation efficiency	30,000					
National board certification	120,000	108,000		108,000	108,000	
State automated reporting system rewrite			1,200,000	1,200,000	1,200,000	
Total all funds	\$2,141,329,049	\$2,542,794,213	(\$7,679,333)	\$2,535,114,880	\$2,535,249,880	(\$135,000)
Less estimated income	705,727,065	814,542,384	(788,641)	813,753,743	813,753,743	0
General fund	\$1,435,601,984	\$1,728,251,829	(\$6,890,692)	\$1,721,361,137	\$1,721,496,137	(\$135,000)
FTE	91.75	88.75	0.50	89.25	88.75	0.50

## Department 201 - Department of Public Instruction - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Funding for a Pre K-12 Education Vision Steering Committee <sup>2</sup>	Adds .50 FTE Position and Funding for the Education Coordination Council <sup>3</sup>	Adds Funding for AdvancEd Contract <sup>4</sup>	Increases Funding for Operating Expenses <sup>5</sup>	Reduces Funding for Special Education Contracts <sup>6</sup>
Salaries and wages	\$9,579		\$76,000			
Operating expenses		\$300,000	189,000	\$312,000	\$1,000,000	
Integrated formula payments						
Grants - Special education contracts						(\$1,000,000)
Grants - Transportation						
Grants - Other grants						
Grants - Program grants						
Grants - Passthrough grants						
PowerSchool						
Transportation efficiency						
National board certification						
State automated reporting system rewrite						
Total all funds	\$9,579	\$300,000	\$265,000	\$312,000	\$1,000,000	(\$1,000,000)
Less estimated income	11,359	0	0	0	0	0
General fund	(\$1,780)	\$300,000	\$265,000	\$312,000	\$1,000,000	(\$1,000,000)
FTE	0.00	0.00	0.50	0.00	0.00	0.00

	Adjusts Funding for Integrated Formula Payments <sup>7</sup>	Adjusts the Funding Source for Integrated Formula Payments <sup>8</sup>	Increases Funding for Transportation Grants <sup>9</sup>	Reduces Funding for the Superintendent's Program Grant Pool <sup>10</sup>	Adds Funding for a Leadership Professional Development Program <sup>11</sup>	Removes Funding for Early Childhood Education Grants <sup>12</sup>
Salaries and wages						
Operating expenses						
Integrated formula payments	(\$8,443,625)					
Grants - Special education contracts						
Grants - Transportation			\$600,000			
Grants - Other grants						
Grants - Program grants				(\$636,711)	\$200,000	(\$1,500,000)
Grants - Passthrough grants						
PowerSchool						
Transportation efficiency						
National board certification						
State automated reporting system rewrite						
Total all funds	(\$8,443,625)	\$0	\$600,000	(\$636,711)	\$200,000	(\$1,500,000)
Less estimated income	0	(2,000,000)	0	0	0	0
General fund	(\$8,443,625)	\$2,000,000	\$600,000	(\$636,711)	\$200,000	(\$1,500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for Passthrough Grants <sup>13</sup>	Adds One-time Funding for the State Automated Reporting System Rewrite <sup>14</sup>	Total Conference Committee Changes
Salaries and wages			\$85,579
Operating expenses			1,801,000
Integrated formula payments			(8,443,625)
Grants - Special education contracts			(1,000,000)
Grants - Transportation			600,000
Grants - Other grants			
Grants - Program grants			(1,936,711)
Grants - Passthrough grants	\$14,424		14,424
PowerSchool			
Transportation efficiency			
National board certification			
State automated reporting system rewrite		\$1,200,000	1,200,000
Total all funds	\$14,424	\$1,200,000	(\$7,679,333)
Less estimated income	0	1,200,000	(788,641)
General fund	\$14,424	\$0	(\$6,890,692)
FTE	0.00	0.00	0.50

<sup>1</sup> Funding is adjusted 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 same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

<sup>2</sup> Funding is added for a Pre K-12 Education Vision Steering Committee to support the facilitation of stakeholder groups to continue developing education initiatives as provided in Senate Bill No. 2025, the same as the House version.

<sup>3</sup> A .50 FTE position and related funding for salaries and wages and operating expenses is added for the administration of the Education Coordination Council established in Senate Bill No. 2215. This FTE and funding were not included in the Senate or House versions.

<sup>4</sup> Funding is added for an increase in the continuous improvement for schools contract with AdvancEd, the same as the House version.

<sup>5</sup> Funding for operating expenses is increased to correct an error in the department's budget request relating to its base budget adjustments, the same as the House version.

<sup>6</sup> Funding for special education contract grants is reduced to provide a total of \$24 million from the general fund, \$4.7 million more than the 2017-19 biennium, the same as the House version. The Senate provided \$25 million from the general fund for special education contract grants.

<sup>7</sup> The Conference Committee adopted substantially all of the House changes to the state school aid formula in Senate Bill No. 2265. Changes made by the Conference Committee reduced the funding required for integrated formula payments in Senate Bill No. 2013 by \$400,000 compared to the House version. The House had reduced funding for integrated formula payments by \$8,043,625 compared to the Senate version. The following is a summary of the Conference Committee changes to the state school aid formula in Senate Bill No. 2265:

	<b>General Fund</b>
Reduces funding to provide a 2 percent increase in the <b>integrated formula payment</b> rate each year of the biennium. The Senate provided a 2 percent increase in the 1st year and 3 percent in the 2nd year.	(\$10,615,923)
Increases funding for a state school aid <b>formula baseline reset</b> .	15,106,628
Adds funding to reduce the deduction of in lieu of revenue relative to <b>sinking and interest mill levies</b> .	12,335,458
Reduces funding provided to transition to <b>on-time funding</b> . The House provided a .50 weighted student unit. The Senate provided 1.0 weighted student unit.	(19,289,658)
Reduces funding for changes to <b>funding for new students</b> in certain school districts.	(7,683,575)
Reduces funding due to an increase in the contribution from property tax related to the <b>phase in of a 60-mill contribution</b> for all schools districts.	(2,032,062)

Increases funding for other changes to the formula, including <b>tuition deductions</b> and <b>adjustment to formula minimums</b> .	<u>3,735,507</u>
Total integrated formula payment reduction	(\$8,443,625)

<sup>8</sup> Increases funding from the general fund and decreases funding from the state tuition fund to provide a total of \$377,764,000 from the state tuition fund for state school aid, the same as the House version. Funding from the state tuition fund is reduced due to lower than estimated fines being deposited in the fund.

<sup>9</sup> Funding for transportation grants is increased to provide a total of \$56.5 million from the general fund, the same as the House version. This increase of \$1.1 million from the prior biennium will allow reimbursement rates to remain the same as the 2017-19 biennium. The Senate provided \$55.9 million from the general fund for transportation grants.

<sup>10</sup> Funding for the program grant pool is reduced by \$636,711, to provide a total of \$1.5 million from the general fund, the same as the House version, for the following programs:

- Leveraging the senior year;
- Leadership program;
- Continuing education grants;
- Preschool continuing education grants;
- Curriculum alignment grants;
- Teacher and principal evaluation system grants;
- Family engagement initiatives; and
- Transportation efficiency.

The Senate provided \$2,136,711 for the program grant pool.

<sup>11</sup> Funding is added to implement a leadership professional development program, the same as the House version.

<sup>12</sup> Funding is removed for early childhood education grants transferred to the Superintendent of Public Instruction from the Department of Commerce, the same as the House version. The Senate approved transferring the early childhood service provider grant program from the Department of Commerce to the Superintendent of Public Instruction in Senate Bill No. 2250, but the House defeated the bill.

<sup>13</sup> Funding for passthrough grants is adjusted as follows:

	<b>General Fund Increase (Decrease)</b>	<b>Total General Fund</b>
North Central Council for Education Media Services	\$14,424	\$238,000
Rural art outreach projects	0	\$360,000
Mentoring program	0	2,125,764
North Dakota young entrepreneur education program	(30,000)	0
"We the People" program	0	50,000
National writing projects	10,000	50,000
Governor's School program	(20,000)	0
Cultural heritage and artist in residence grants	<u>40,000</u>	<u>40,000</u>
Total	\$14,424	\$2,863,764

The Senate provided a total of \$2,849,340 for passthrough grants and the House provided a total of \$2,863,764 for passthrough grants. The House:

- Increased funding for North Central Council for Educational Media Services by \$14,424 and national writing projects by \$10,000;
- Added \$50,000 for cultural heritage grants; and
- Reduced funding for rural art outreach by \$10,000, the young entrepreneur education program by \$30,000, and the Governor's School by \$20,000.

The Conference Committee restored the \$10,000 reduction in funding for rural art outreach and reduced funding for the cultural heritage grants added by the House by \$10,000, to provide a total of \$2,863,764 for passthrough grants, the same total as the House version.

<sup>14</sup> One-time funding is added from the foundation aid stabilization fund to rewrite the state automated reporting system (STARS) application, the same as the House version.

This amendment also:

- Amends the section related to funding provided from the state tuition fund to reduce the funding made available from the fund to \$377,764,000, the same as the House version;
- Amends the section related to funding provided from the foundation aid stabilization fund to increase the funding made available from the fund to \$111.2 million, the same as the House version;
- Adds a section to allow the department to continue \$600,000 of funding, remaining in the integrated formula payments line item at the end of the 2017-19 biennium, to the 2019-21 biennium for the purpose of advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics program, the same as the House version;
- Amends the section related to the distribution of transportation grants to update transportation rates to reflect additional funding, the same as the House version;
- Amends the section related to the program grant pool to adjust the total provided, the same as the House version;
- Amends the section related to passthrough grants to require grantees to receive one-half of the passthrough grant each year of the biennium and require grantees, as a condition of receiving the grant, to establish performance measures to be reviewed by the Superintendent of Public Instruction. Grantees must report to the Superintendent of Public Instruction regarding performance based on the measures each year of the biennium, with the report for the 1st year of the biennium required before receiving funding for the 2nd year of the biennium, the same as the House version;
- Amends the section related to the distribution of annual grants to regional education associations to increase, due to a reduction in the number of associations, the amount available to each association. This change was not included in the Senate or House versions of the bill;
- Removes the section amending North Dakota Century Code Section 15-10-38 to transfer the teacher loan forgiveness program from the State Board of Higher Education to the Superintendent of Public Instruction, the same as the House version. This transfer was included in House Bill No. 1429;
- Amends the section related to the salary of the Superintendent of Public Instruction to provide increases consistent with state employee salary increases, the same as the House version;
- Adds a section to amend Section 15.1-18-10 as amended in Senate Bill No. 2265 related to teacher qualifications to allow an individual with a permit and a high school diploma to teach certain areas if the individual has a minimum amount of relative work experience or possess a certificate, permit, or degree in the subject area to be taught. This section was not included in the Senate or House versions of the bill;
- Adds a section to amend Section 15.1-21-02.6 to allow a student enrolled less than full-time to retain North Dakota scholarship eligibility if the student is in the final semester or quarter before graduation. This section was not included in the Senate or the House versions of the bill;
- Removes the sections amending Sections 15.1-37-05, 15.1-37-06, and 15.1-37-08 to transfer the early childhood education grant program from the Department of Commerce to the Superintendent of Public Instruction, the same as the House version, due to the defeat of Senate Bill No. 2250 by the House;
- Adds a section to provide for a study of school district transportation during the 2019-20 interim, the same as the House version; and
- Adds a section providing for a Legislative Management study relating to dual-credit, advanced placement, and distance education courses. This section was not included in the Senate or House versions of the bill.

The Conference Committee did not include a section, added by the House to allow the department to continue \$3 million of funding remaining in the integrated formula payments line item at the end of the 2017-19 biennium to the 2019-21 biennium for the purpose of one-time funding for computer science training for teachers. The Senate did not include this section.

**Senate Bill No. 2013 - State Library - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,152,758	\$4,268,192	\$32,143	\$4,300,335	\$4,300,335	
Operating expenses	1,604,075	1,621,917		1,621,917	1,621,917	
Grants	2,109,028	2,233,528		2,233,528	2,233,528	
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780	\$8,155,780	\$0
Less estimated income	2,247,560	2,367,446	6,915	2,374,361	2,374,361	0
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419	\$5,781,419	\$0
FTE	28.75	27.75	0.00	27.75	27.75	0.00

**Department 250 - State Library - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$32,143	\$32,143
Operating expenses		
Grants		
Total all funds	\$32,143	\$32,143
Less estimated income	6,915	6,915
General fund	\$25,228	\$25,228
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted 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 same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

**Senate Bill No. 2013 - School for the Deaf - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$7,588,749	\$8,020,847	\$34,097	\$8,054,944	\$8,054,944	
Operating expenses	2,026,543	1,705,586		1,705,586	1,705,586	
Capital assets	158,678	428,678		428,678	428,678	
Grants	180,000	40,000		40,000	40,000	
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208	\$10,229,208	\$0
Less estimated income	2,465,444	2,697,196	3,162	2,700,358	2,700,358	0
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850	\$7,528,850	\$0
FTE	45.61	44.61	0.00	44.61	44.61	0.00

**Department 252 - School for the Deaf - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$34,097	\$34,097
Operating expenses		
Capital assets		
Grants		
Total all funds	\$34,097	\$34,097
Less estimated income	3,162	3,162
General fund	\$30,935	\$30,935
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted 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 same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

# Senate Bill No. 2013 - Vision Services - School for the Blind - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,660,995	\$4,914,756	\$20,535	\$4,935,291	\$4,935,291	
Operating expenses	773,206	815,821		815,821	815,821	
Capital assets	39,192	299,692		299,692	299,692	
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804	\$6,050,804	\$0
Less estimated income	1,079,247	1,330,993	1,822	1,332,815	1,332,815	0
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989	\$4,717,989	\$0
FTE	28.50	27.90	0.00	27.90	27.90	0.00

## Department 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$20,535	\$20,535
Operating expenses		
Capital assets		
Total all funds	\$20,535	\$20,535
Less estimated income	1,822	1,822
General fund	\$18,713	\$18,713
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted 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 same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**HB 1003, as engrossed:** Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Sanford, Martinson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1813-1827, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1813-1827 of the House Journal and pages 1503-1517 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 2, remove "and three new subsections to"

Page 1, line 3, replace "section 15-10-63" with ", two new sections to chapter 15-10, section 15-10-48.1, and a new section to chapter 15-18"

Page 1, line 4, replace "and capital project authorization" with ", the university of North Dakota men's golf program, the professional student exchange program, matching grants for the university of North Dakota school of law, and the Curtis and Annette Hofstad agricultural center"

Page 1, line 4, after "sections" insert "15-10-12.1, 15-10-48,"

Page 1, line 4, after the comma insert "15-10-50,"

Page 1, line 6, after "to" insert "acceptance of buildings and campus improvements,"

Page 1, line 8, replace "section" with "sections 15-10-37 and"

Page 1, line 9, after the first "to" insert "the technology occupations student loan program and"

Page 1, line 9, after the semicolon insert "to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects;"

Page 1, line 10, after "transfer" insert "; to provide for the conveyance of real property; to provide for a legislative management study"

Page 1, line 11, replace "report" with "reports; to provide for application"

Page 1, remove line 24

Page 2, replace lines 1 through 22 with:

"Capital assets - bond payments	\$6,605,326	(\$1,645,878)	\$4,959,448
Competitive research programs	6,027,750	(342,000)	5,685,750
NASA EPSCoR	0	342,000	342,000
System governance	8,163,238	574,629	8,737,867
Title II	1,006,472	(1,006,472)	0
Core technology services	61,527,347	758,781	62,286,128
Student financial assistance grants	21,917,306	2,000,000	23,917,306
Professional student exchange program	3,699,342	0	3,699,342
Academic and technical education scholarships	12,016,749	0	12,016,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	555,323	0	555,323
Tribally controlled community college grants	600,000	400,000	1,000,000
Education incentive programs	2,863,393	(2,353,393)	510,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	277,875	0	277,875
Shared campus services	500,000	0	500,000
Dual-credit instructor assistance	200,000	(200,000)	0
Education challenge fund	0	9,400,000	9,400,000
Tier III capital building fund pool	0	9,000,000	9,000,000
Total all funds	\$128,051,636	\$16,927,667	\$144,979,303
Less estimated income	<u>26,412,106</u>	<u>4,590,100</u>	<u>31,002,206</u>
Total general fund	\$101,639,530	\$12,337,567	\$113,977,097
Full-time equivalent positions	149.40	(0.50)	148.90"

Page 2, remove lines 27 through 31

Page 3, replace lines 1 and 2 with:

"Operations	\$101,670,034	(\$2,926,352)	\$98,743,682
Capital assets	1,922,561	0	1,922,561
Capital building fund	0	851,386	851,386
Total all funds	\$103,592,595	(\$2,074,966)	\$101,517,629
Less estimated income	<u>72,991,998</u>	<u>(2,542,596)</u>	<u>70,449,402</u>
Total general fund	\$30,600,597	\$467,630	\$31,068,227
Full-time equivalent positions	358.35	(34.42)	323.93"

Page 3, replace lines 7 through 13 with:

"Operations	\$36,449,048	\$1,110,079	\$37,559,127
Capital assets	362,667	3,000,000	3,362,667
Capital building fund	0	354,750	354,750
Total all funds	\$36,811,715	\$4,464,829	\$41,276,544
Less estimated income	<u>24,111,092</u>	<u>4,220,172</u>	<u>28,331,264</u>
Total general fund	\$12,700,623	\$244,657	\$12,945,280
Full-time equivalent positions	129.61	(11.51)	118.10"

Page 3, replace lines 18 through 24 with:

"Operations	\$26,954,133	\$5,641,927	\$32,596,060
Capital assets	1,261,968	0	1,261,968
Capital building fund	0	275,894	275,894



Total all funds	\$28,216,101	\$5,917,821	\$34,133,922
Less estimated income	<u>19,855,598</u>	<u>4,210,581</u>	<u>24,066,179</u>
Total general fund	\$8,360,503	\$1,707,240	\$10,067,743
Full-time equivalent positions	100.75	(0.27)	100.48"

Page 3, remove lines 29 through 31

Page 4, replace lines 1 through 4 with:

"Operations	\$864,554,974	\$26,999,006	\$891,553,980
Capital assets	4,411,566	145,000,000	149,411,566
Capital building fund	<u>0</u>	<u>8,723,602</u>	<u>8,723,602</u>
Total all funds	\$868,966,540	\$180,722,608	\$1,049,689,148
Less estimated income	<u>728,870,450</u>	<u>170,538,829</u>	<u>899,409,279</u>
Total general fund	\$140,096,090	\$10,183,779	\$150,279,869
Full-time equivalent positions	2,218.07	(85.90)	2,132.17"

Page 4, replace lines 9 through 15 with:

"Operations	\$732,673,267	\$12,602,304	\$745,275,571
Capital assets	7,799,104	79,800,000	87,599,104
Capital building fund	<u>0</u>	<u>5,799,192</u>	<u>5,799,192</u>
Total all funds	\$740,472,371	\$98,201,496	\$838,673,867
Less estimated income	<u>611,881,329</u>	<u>94,077,555</u>	<u>705,958,884</u>
Total general fund	\$128,591,042	\$4,123,941	\$132,714,983
Full-time equivalent positions	1,895.66	(25.50)	1,870.16"

Page 4, replace lines 20 through 26 with:

"Operations	\$91,682,610	\$4,042,801	\$95,725,411
Capital assets	1,012,379	0	1,012,379
Capital building fund	<u>0</u>	<u>1,001,390</u>	<u>1,001,390</u>
Total all funds	\$92,694,989	\$5,044,191	\$97,739,180
Less estimated income	<u>57,605,613</u>	<u>3,591,545</u>	<u>61,197,158</u>
Total general fund	\$35,089,376	\$1,452,646	\$36,542,022
Full-time equivalent positions	345.04	(34.31)	310.73"

Page 4, remove line 31

Page 5, replace lines 1 through 7 with:

"Operations	\$47,135,592	\$1,425,402	\$48,560,994
Capital assets	409,078	0	409,078
Capital building fund	<u>0</u>	<u>537,724</u>	<u>537,724</u>
Theodore Roosevelt digitization	<u>0</u>	<u>200,000</u>	<u>200,000</u>
Total all funds	\$47,544,670	\$2,163,126	\$49,707,796
Less estimated income	<u>29,737,827</u>	<u>1,376,906</u>	<u>31,114,733</u>
Total general fund	\$17,806,843	\$786,220	\$18,593,063
Full-time equivalent positions	168.90	44.36	213.26"

Page 5, replace lines 12 through 18 with:

"Operations	\$44,197,761	\$3,521,794	\$47,719,555
Capital assets	358,992	0	358,992
Capital building fund	<u>0</u>	<u>480,058</u>	<u>480,058</u>
Total all funds	\$44,556,753	\$4,001,852	\$48,558,605
Less estimated income	<u>30,307,148</u>	<u>1,830,841</u>	<u>32,137,989</u>
Total general fund	\$14,249,605	\$2,171,011	\$16,420,616
Full-time equivalent positions	210.53	(1.26)	209.27"

Page 5, replace lines 23 through 29 with:

"Operations	\$100,710,275	\$1,614,798	\$102,325,073
Capital assets	1,099,620	0	1,099,620
Capital building fund	<u>0</u>	<u>1,145,602</u>	<u>1,145,602</u>

Total all funds	\$101,809,895	\$2,760,400	\$104,570,295
Less estimated income	<u>62,058,916</u>	<u>2,614,686</u>	<u>64,673,602</u>
Total general fund	\$39,750,979	\$145,714	\$39,896,693
Full-time equivalent positions	441.65	(34.07)	407.58"

Page 6, replace lines 3 through 9 with:

"Operations	\$48,444,336	(\$267,408)	\$48,176,928
Capital assets	455,823	0	455,823
Capital building fund	<u>0</u>	<u>618,274</u>	<u>618,274</u>
Total all funds	\$48,900,159	\$350,866	\$49,251,025
Less estimated income	<u>28,470,657</u>	<u>(1,878,565)</u>	<u>26,592,092</u>
Total general fund	\$20,429,502	\$2,229,431	\$22,658,933
Full-time equivalent positions	202.75	(22.07)	180.68"

Page 6, replace lines 14 through 20 with:

"Operations	\$17,168,111	\$4,272,495	\$21,440,606
Capital assets	114,007	2,500,000	2,614,007
Capital building fund	<u>0</u>	<u>212,128</u>	<u>212,128</u>
Total all funds	\$17,282,118	\$6,984,623	\$24,266,741
Less estimated income	<u>9,629,173</u>	<u>6,896,742</u>	<u>16,525,915</u>
Total general fund	\$7,652,945	\$87,881	\$7,740,826
Full-time equivalent positions	84.30	(2.01)	82.29"

Page 6, replace lines 25 through 30 with:

"Operations	\$205,926,712	\$5,369,938	\$211,296,650
Health care workforce initiative	<u>0</u>	<u>10,676,150</u>	<u>10,676,150</u>
Total all funds	\$205,926,712	\$16,046,088	\$221,972,800
Less estimated income	<u>154,078,620</u>	<u>4,958,391</u>	<u>159,037,011</u>
Total general fund	\$51,848,092	\$11,087,697	\$62,935,789
Full-time equivalent positions	435.75	49.57	485.32"

Page 7, replace lines 4 through 9 with:

"Operations	\$14,958,447	\$264,889	\$15,223,336
Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
Total all funds	\$15,077,175	\$264,889	\$15,342,064
Less estimated income	<u>10,650,748</u>	<u>14,652</u>	<u>10,665,400</u>
Total general fund	\$4,426,427	\$250,237	\$4,676,664
Full-time equivalent positions	27.00	0.00	27.00"

Page 7, replace lines 14 through 16 with:

"Grand total general fund	\$613,242,154	\$47,275,651	\$660,517,805
Grand total special funds	<u>1,866,661,275</u>	<u>294,499,839</u>	<u>2,161,161,114</u>
Grand total all funds	\$2,479,903,429	\$341,775,490	\$2,821,678,919"

Page 7, line 17, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 7, remove lines 21 through 31

Page 8, replace lines 1 and 2 with:

"Capital projects - other funds	\$168,505,000	\$230,300,000
Education challenge grants	2,000,000	9,400,000
School of law matching grants	0	250,000
Tier II and tier III capital building funds	0	29,000,000
Theodore Roosevelt digitization	0	200,000
University of North Dakota campus network upgrades	0	1,500,000
North Dakota state university campus network upgrades	0	1,500,000
Institution operations distributions	2,000,000	0
Dickinson state university operations and debt repayment	8,284,626	0

Two-year campus study	40,000	0
Valley City state university integrated carbon project	22,500,000	0
Minot state university projects	2,284,000	0
Midwestern higher education compact dues	<u>230,000</u>	<u>0</u>
Total all funds	\$205,843,626	\$272,150,000
Total other funds	<u>193,289,000</u>	<u>260,300,000</u>
Total general fund	\$12,554,626	\$11,850,000"

Page 8, after line 7, insert:

**"SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - WILLISTON**

**STATE COLLEGE.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$491,850, or so much of the sum as may be necessary, to Williston state college for institution operations, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - DICKINSON STATE**

**UNIVERSITY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$550,000, or so much of the sum as may be necessary, to Dickinson state university for the digitization of documents at the Theodore Roosevelt center, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER EDUCATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,700,000, or so much of the sum as may be necessary, to the state board of higher education for campus workforce initiative projects, including \$1,000,000 for the Bismarck state college polytechnic transition, \$1,000,000 for the Dickinson state university dual-mission transition, and \$700,000 for Williston state college, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 13, after line 26, insert:

**"SECTION 7. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-12.1. Acceptance of buildings and campus improvements - Legislative approval.**

The state board of higher education may authorize campus improvements and building maintenance on land under the control of the board which are financed by donations, gifts, grants, and bequests if the cost of the improvement or building maintenance is not more than seven hundred thousand dollars. The consent of the legislative assembly is required for construction of any building or any addition to a building on land under the control of the board which is financed by donations, gifts, grants, and bequests. The consent of the legislative assembly is required for campus improvements or building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvements or maintenance is more than seven hundred thousand dollars. During the time the legislative assembly is not in session, except for the six months preceding the convening of a regular session and the three months following the close of a regular session, and unless otherwise restricted by previous legislative action or other law, the state board of higher education, with the approval of the budget section of the legislative management, may authorize the use of land under the control of the board and construct buildings financed by donations, gifts, grants, and bequests and campus improvements and building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvement or maintenance is more than seven hundred thousand dollars. Any project request

submitted to the budget section for the construction of a building financed by donations, gifts, grants, and bequests must include the removal of a building or buildings with an equivalent or greater total number of square feet compared to the proposed building. The budget section approval must include a specific dollar limit for each building, campus improvement project, or maintenance project. The state board of higher education may authorize the sale of any real property or buildings which an institution of higher learning has received by gift or bequest. The board shall prescribe such conditions for the sale of the property as it determines necessary. The conditions must include requiring an appraisal and public auction or advertisement for bids, unless the gift instrument requires a different process. If the state board of higher education submits a request for campus improvements ~~or~~ building maintenance, or to construct buildings under this section to the budget section for approval, the legislative council shall notify each member of the legislative assembly of the date of the budget section meeting at which the request will be considered and provide a copy of the meeting agenda to each member of the legislative assembly. The chairman of the budget section shall allow any member of the legislative assembly an opportunity to present testimony to the budget section regarding any such request.

**SECTION 8. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-48. Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.**

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
  - (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
  - (2) The project has been approved by the grant review committee established in section 15-10-51.
- c. The board may award up to ~~two hundred thousand~~ one million seven hundred thousand dollars in matching grants to each institution.
- d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.
2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

**SECTION 9.** Section 15-10-48.1 of the North Dakota Century Code is created and enacted as follows:

**15-10-48.1. Clinical legal education, including indigent legal services, and faculty recruitment and retention - Matching grants - University of North Dakota school of law.**

1.
  - a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of the university of North Dakota for projects dedicated exclusively to clinical legal education, including indigent legal services, or the recruitment and retention of faculty at the school of law.
  - b. To be eligible for a matching grant, the institution shall demonstrate:
    - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
    - (2) The project has been approved by the grant review committee established in section 15-10-51.
  - c. The board may award up to two hundred fifty thousand dollars in matching grants under this section.
  - d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
2. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with the administrative expenses incurred in the grant review process."

Page 14, line 16, overstrike "two hundred thousand dollars in matching grants to"

Page 14, overstrike line 17 and insert immediately thereafter ":

- (1) Nine hundred fifty thousand dollars each to Bismarck state college, Minot state university, and the North Dakota state college of science;
- (2) Seven hundred thousand dollars each to Dickinson state university, Mayville state university, and Valley City state university; and
- (3) Three hundred fifty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college."

Page 15, remove lines 1 through 31

Page 16, replace lines 1 through 4 with:

**"SECTION 11. AMENDMENT.** Section 15-10-50 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-50. Liability for pledged amount.**

If in accordance with section 15-10-48, 15-10-48.1, or 15-10-49, the state board of higher education provides grant funds to an institution, on the basis of a

monetary pledge, and if the amount forthcoming is less than the amount pledged, the institutional foundation is liable to the institution for any shortfall.

**SECTION 12.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Professional student exchange programs - Bank of North Dakota - Agreements - Repayment.**

1. The state board of higher education may not make a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in veterinary medicine, dentistry, or optometry unless that individual signed a legally binding agreement with the state board of higher education which identifies the amount of the award under the professional student exchange program.
2. If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation or of leaving the education program, the individual shall repay the amount of the agreement in full at that time.
3. If the individual who signed the agreement under subsection 1 practices veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation, the state board of higher education shall reduce the amount of the agreement by one-third, for each full year the individual continues practicing in the state. If the individual stops practicing in this state before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full from the date the individual stopped practicing in the state.
4. If the individual who signed the agreement under subsection 1 departs before graduation from a program in dentistry or optometry, at the time of departure that individual shall repay the amount of the agreement in full.
5. The Bank of North Dakota shall allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank.
6. The state board of higher education shall defer any repayment of an agreement otherwise due under this section for the period of time the individual who signed the agreement is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces. The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled.
7. The state board of higher education shall adopt policies and procedures implementing this section. The state board of higher education shall confirm eligibility, to the Bank, of any individual who uses the Bank's student loan program to repay any outstanding agreement amounts in full.

**SECTION 13.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**University of North Dakota men's varsity golf program.**

If certain real property known as the Ray Richards golf course or Ray Richards golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richards golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of

Grand Forks, or any portion of the property, is conveyed, fifty-three and fifty-seven one hundredths percent of the sale price must be transferred to a permanent endowment fund named the Ray Richards golf endowment fund, which must be controlled and administered by the university of North Dakota alumni foundation for the sole benefit of the university of North Dakota men's varsity golf program in honor of the Ray Richards family. If the university of North Dakota men's varsity golf program has been terminated prior to the conveyance, so much of the funds in the Ray Richards golf endowment fund as necessary must be used to reinstate the program, and the remainder must be used for the sole benefit of the program.

**SECTION 14.** A new section to chapter 15-18 of the North Dakota Century Code is created and enacted as follows:

**Curtis and Annette Hofstad agricultural center.**

The agricultural center constructed on the campus of Lake Region state college is officially named the Curtis and Annette Hofstad agricultural center."

Page 17, line 26, overstrike "10.5" and insert immediately thereafter "14.0"

Page 18, line 16, replace "\$60.70" with "\$60.87"

Page 18, line 18, replace "\$90.48" with "\$90.98"

Page 18, line 20, replace "\$96.52" with "\$97.06"

Page 21, line 2, replace "Section" with "Sections 15-10-37 and"

Page 21, line 2, replace "is" with "are"

Page 21, line 29, replace "biennium" with "period"

Page 21, line 29, remove "July 1,"

Page 21, line 30, replace "2019" with "with the effective date of this Act"

Page 22, after line 12, insert:

**"SECTION 26. SALE OF PROPERTY AUTHORIZED.** The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property known as gallery apartments, lots 1, 2, and 3, block 13, university heights addition, and lots 1, 2, 3, 4, 5, and 6, block 1, university heights 2<sup>nd</sup> addition, in the records of the city of Grand Forks. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at 1225 stanford road, lots 1 and 2, block 5, university heights addition, in the records of the city of Grand Forks. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section.

**SECTION 27. PROJECT AUTHORIZATIONS.** The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2021. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2021, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness are included in the appropriation in subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30, 2021, for the following projects:

University of North Dakota - deferred maintenance and parking projects	\$30,000,000
Total special funds	\$30,000,000

The university of North Dakota is responsible for the repayment of any evidences of indebtedness issued under this section from institution operations funding or other local funds."

Page 22, replace lines 23 through 25 with:

"University of North Dakota - memorial union	\$80,000,000
North Dakota state university - university village phase II	37,600,000
Dakota college at Bottineau - dining facility	<u>2,500,000</u>
Total special funds	\$120,100,000"

Page 23, line 3, remove "and \$8,648,555 from a one percent per year increase in tuition"

Page 23, replace lines 5 through 18 with:

"	<u>Bank of North Dakota</u>
Bismarck state college	\$425,693
Lake Region state college	177,375
Williston state college	137,947
University of North Dakota	4,361,801
North Dakota state university	2,899,596
North Dakota state college of science	500,695
Dickinson state university	268,862
Mayville state university	240,029
Minot state university	572,801
Valley City state university	309,137
Dakota college at Bottineau	<u>106,064</u>
Total	\$10,000,000"

Page 23, line 20, remove "and for each one dollar generated from the"

Page 23, line 21, remove "one percent per year increase in tuition"

Page 23, line 26, replace "\$5,000,000" with "\$7,000,000"

Page 23, line 30, replace "\$5,000,000" with "\$7,000,000"

Page 24, line 1, replace "\$4,000,000" with "\$2,000,000"

Page 24, line 22, replace "Subject" with "After the institution has matched seventy-five percent of the funding appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act and subject"

Page 24, line 26, remove "Lake Region state college is authorized to use up to \$3,000,000 from its"

Page 24, line 27, replace "capital building fund line item for the precision agriculture center project." with "the following projects are authorized to use funding from the corresponding institution's capital building fund line item:

Lake Region state college - precision agriculture center	\$3,000,000
North Dakota state college of science - Hektner Student Center	6,708,000
Minot state university - dome wellness emergency generators	1,130,335
Valley City state university - life safety projects	2,529,323
Dakota college at Bottineau - Nelson Science Center	<u>1,177,758</u>
Total	\$14,545,416"

Page 24, after line 31, insert:

**"SECTION 32. TRANSFER - BANK OF NORTH DAKOTA PROFITS - CAMPUS NETWORK UPGRADES.** The industrial commission shall transfer to the university of North Dakota a total of \$1,500,000, or so much of the sum as may be



necessary, and to North Dakota state university a total of \$1,500,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner of higher education. The estimated income line items in subdivisions 5 and 6 of section 1 include \$1,500,000 each for the university of North Dakota and North Dakota state university for campus network upgrades."

Page 25, line 5, replace "three" with "four"

Page 25, line 14, replace "three" with "four"

Page 26, line 1, after "6." insert: "This section does not apply to differentiated tuition rates charged for higher cost programs.

7."

Page 26, replace lines 7 through 18 with:

**"SECTION 34. LEGISLATIVE MANAGEMENT STUDY.** During the 2019-20 interim, the legislative management shall consider studying North Dakota university system competitive research programs, including the established program to stimulate competitive research. 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 35. APPLICATION.** Section 12 of this Act applies to individuals initially entering a professional student exchange program in veterinary medicine, dentistry, or optometry after June 30, 2020."

Page 26, line 19, replace "14, 16, 18, 19, 20, 21, and 22" with "3, 4, 5, 21, 23, 25, 26, 27, 28, 29, 30, and 31"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

### House Bill No. 1003 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
University System Office						
Total all funds	\$128,051,636	\$137,139,110	\$7,840,193	\$144,979,303	\$148,079,303	(\$3,100,000)
Less estimated income	26,412,106	28,962,716	2,039,490	31,002,206	29,002,206	2,000,000
General fund	\$101,639,530	\$108,176,394	\$5,800,703	\$113,977,097	\$119,077,097	(\$5,100,000)
FTE	149.40	148.90	0.00	148.90	148.90	0.00
Bismarck State College						
Total all funds	\$103,592,595	\$100,824,502	\$693,127	\$101,517,629	\$101,495,222	\$22,407
Less estimated income	72,991,998	69,929,126	520,276	70,449,402	70,449,402	0
General fund	\$30,600,597	\$30,895,376	\$172,851	\$31,068,227	\$31,045,820	\$22,407
FTE	358.35	323.93	0.00	323.93	323.93	0.00
Lake Region State College						
Total all funds	\$36,811,715	\$41,390,022	(\$113,478)	\$41,276,544	\$41,267,208	\$9,336
Less estimated income	24,111,092	28,516,764	(185,500)	28,331,264	28,331,264	0
General fund	\$12,700,623	\$12,873,258	\$72,022	\$12,945,280	\$12,935,944	\$9,336
FTE	129.61	118.10	0.00	118.10	118.10	0.00
Williston State College						
Total all funds	\$28,216,101	\$29,729,665	\$4,404,257	\$34,133,922	\$35,132,709	(\$998,787)
Less estimated income	19,855,598	19,717,935	4,348,244	24,066,179	24,066,179	0
General fund	\$8,360,503	\$10,011,730	\$56,013	\$10,067,743	\$11,066,530	(\$998,787)
FTE	100.75	100.48	0.00	100.48	100.48	0.00
University of North Dakota						
Total all funds	\$868,966,540	\$1,019,612,441	\$30,076,707	\$1,049,689,148	\$1,045,109,300	\$4,579,848
Less estimated income	728,870,450	872,789,252	26,620,027	899,409,279	895,409,279	4,000,000
General fund	\$140,096,090	\$146,823,189	\$3,456,680	\$150,279,869	\$149,700,021	\$579,848

FTE	2,218.07	2,132.17	0.00	2,132.17	2,132.17	0.00
UND Medical Center						
Total all funds	\$205,926,712	\$221,782,733	\$190,067	\$221,972,800	\$221,972,800	\$0
Less estimated income	154,078,620	158,846,944	190,067	159,037,011	159,037,011	0
General fund	\$51,848,092	\$62,935,789	\$0	\$62,935,789	\$62,935,789	\$0
FTE	435.75	485.32	0.00	485.32	485.32	0.00
North Dakota State University						
Total all funds	\$740,472,371	\$841,887,616	(\$3,213,749)	\$838,673,867	\$839,673,867	(\$1,000,000)
Less estimated income	611,881,329	709,543,285	(3,584,401)	705,958,884	706,958,884	(1,000,000)
General fund	\$128,591,042	\$132,344,331	\$370,652	\$132,714,983	\$132,714,983	\$0
FTE	1,895.66	1,870.16	0.00	1,870.16	1,870.16	0.00
State College of Science						
Total all funds	\$92,694,989	\$97,843,036	(\$103,856)	\$97,739,180	\$127,712,826	(\$29,973,646)
Less estimated income	57,605,613	61,504,318	(307,160)	61,197,158	91,197,158	(30,000,000)
General fund	\$35,089,376	\$36,338,718	\$203,304	\$36,542,022	\$36,515,668	\$26,354
FTE	345.04	310.73	0.00	310.73	310.73	0.00
Dickinson State University						
Total all funds	\$47,544,670	\$49,955,579	(\$247,783)	\$49,707,796	\$50,257,796	(\$550,000)
Less estimated income	29,737,827	31,413,599	(298,866)	31,114,733	31,114,733	0
General fund	\$17,806,843	\$18,541,980	\$51,083	\$18,593,063	\$19,143,063	(\$550,000)
FTE	168.90	213.26	0.00	213.26	213.26	0.00
Mayville State University						
Total all funds	\$44,556,753	\$48,544,353	\$14,252	\$48,558,605	\$48,558,605	\$0
Less estimated income	30,307,148	32,213,980	(75,991)	32,137,989	32,137,989	0
General fund	\$14,249,605	\$16,330,373	\$90,243	\$16,420,616	\$16,420,616	\$0
FTE	210.53	209.27	0.00	209.27	209.27	0.00
Minot State University						
Total all funds	\$101,809,895	\$104,947,947	(\$377,652)	\$104,570,295	\$104,570,295	\$0
Less estimated income	62,058,916	65,266,608	(593,006)	64,673,602	64,673,602	0
General fund	\$39,750,979	\$39,681,339	\$215,354	\$39,896,693	\$39,896,693	\$0
FTE	441.65	407.58	0.00	407.58	407.58	0.00
Valley City State University						
Total all funds	\$48,900,159	\$47,919,475	\$1,331,550	\$49,251,025	\$49,251,025	\$0
Less estimated income	28,470,657	26,887,399	(295,307)	26,592,092	26,592,092	0
General fund	\$20,429,502	\$21,032,076	\$1,626,857	\$22,658,933	\$22,658,933	\$0
FTE	202.75	180.68	0.00	180.68	180.68	0.00
Dakota College at Bottineau						
Total all funds	\$17,282,118	\$18,451,501	\$5,815,240	\$24,266,741	\$24,261,158	\$5,583
Less estimated income	9,629,173	10,753,741	5,772,174	16,525,915	16,525,915	0
General fund	\$7,652,945	\$7,697,760	\$43,066	\$7,740,826	\$7,735,243	\$5,583
FTE	84.30	82.29	0.00	82.29	82.29	0.00
Forest Service						
Total all funds	\$15,077,175	\$15,307,224	\$34,840	\$15,342,064	\$15,342,064	\$0
Less estimated income	10,650,748	10,665,400	0	10,665,400	10,665,400	0
General fund	\$4,426,427	\$4,641,824	\$34,840	\$4,676,664	\$4,676,664	\$0
FTE	27.00	27.00	0.00	27.00	27.00	0.00
Bill total						
Total all funds	\$2,479,903,429	\$2,775,335,204	\$46,343,715	\$2,821,678,919	\$2,852,684,178	(\$31,005,259)
Less estimated income	1,866,661,275	2,127,011,067	34,150,047	2,161,161,114	2,186,161,114	(25,000,000)
General fund	\$613,242,154	\$648,324,137	\$12,193,668	\$660,517,805	\$666,523,064	(\$6,005,259)
FTE	6,767.76	6,609.87	0.00	6,609.87	6,609.87	0.00

## House Bill No. 1003 - North Dakota University System - General Fund Summary

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
University System Office	\$101,639,530	\$108,176,394	\$5,800,703	\$113,977,097	\$119,077,097	(\$5,100,000)
Bismarck State College	30,600,597	30,895,376	172,851	31,068,227	31,045,820	22,407
Lake Region State College	12,700,623	12,873,258	72,022	12,945,280	12,935,944	9,336
Williston State College	8,360,503	10,011,730	56,013	10,067,743	11,066,530	(998,787)
University of North Dakota	140,096,090	146,823,189	3,456,680	150,279,869	149,700,021	579,848
UND Medical Center	51,848,092	62,935,789		62,935,789	62,935,789	
North Dakota State University	128,591,042	132,344,331	370,652	132,714,983	132,714,983	
State College of Science	35,089,376	36,338,718	203,304	36,542,022	36,515,668	26,354
Dickinson State University	17,806,843	18,541,980	51,083	18,593,063	19,143,063	(550,000)
Mayville State University	14,249,605	16,330,373	90,243	16,420,616	16,420,616	
Minot State University	39,750,979	39,681,339	215,354	39,896,693	39,896,693	
Valley City State University	20,429,502	21,032,076	1,626,857	22,658,933	22,658,933	
Dakota College at Bottineau	7,652,945	7,697,760	43,066	7,740,826	7,735,243	5,583
Forest Service	4,426,427	4,641,824	34,840	4,676,664	4,676,664	
Total general fund	\$613,242,154	\$648,324,137	\$12,193,668	\$660,517,805	\$666,523,064	(\$6,005,259)

## Detail of Conference Committee Changes to the General Fund

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds <sup>3</sup>	Adds One- Time Funding for Campus Network Upgrades <sup>4</sup>	Adjusts One- Time Funding for Theodore Roosevelt Digitization <sup>5</sup>	Adds Funding for Capital Projects <sup>6</sup>
University System Office	\$5,800,703					
Bismarck State College		\$172,851				
Lake Region State College		72,022				
Williston State College		56,013				
University of North Dakota		3,456,680				
UND Medical Center						
North Dakota State University		370,652				
State College of Science		203,304				
Dickinson State University		101,083			(\$50,000)	
Mayville State University		90,243				
Minot State University		215,354				
Valley City State University		1,626,857				
Dakota College at Bottineau		43,066				
Forest Service						
Total general fund	\$5,800,703	\$6,408,125	\$0	\$0	(\$50,000)	\$0

	Adjusts Funding for Capital Building Funds <sup>7</sup>	Adjusts Forest Service Funding <sup>8</sup>	Total General Fund Changes
University System Office			\$5,800,703
Bismarck State College			172,851
Lake Region State College			72,022
Williston State College			56,013
University of North Dakota			3,456,680
UND Medical Center			
North Dakota State University			370,652
State College of Science			203,304
Dickinson State University			51,083
Mayville State University			90,243
Minot State University			215,354
Valley City State University			1,626,857
Dakota College at Bottineau			43,066
Forest Service		\$34,840	34,840
Total general fund	\$0	\$34,840	\$12,193,668

## House Bill No. 1003 - North Dakota University System - Other Funds Summary

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
University System Office	\$26,412,106	\$28,962,716	\$2,039,490	\$31,002,206	\$29,002,206	\$2,000,000
Bismarck State College	72,991,998	69,929,126	520,276	70,449,402	70,449,402	
Lake Region State College	24,111,092	28,516,764	(185,500)	28,331,264	28,331,264	
Williston State College	19,855,598	19,717,935	4,348,244	24,066,179	24,066,179	
University of North Dakota	728,870,450	872,789,252	26,620,027	899,409,279	895,409,279	4,000,000
UND Medical Center	154,078,620	158,846,944	190,067	159,037,011	159,037,011	
North Dakota State University	611,881,329	709,543,285	(3,584,401)	705,958,884	706,958,884	(1,000,000)
State College of Science	57,605,613	61,504,318	(307,160)	61,197,158	91,197,158	(30,000,000)
Dickinson State University	29,737,827	31,413,599	(298,866)	31,114,733	31,114,733	
Mayville State University	30,307,148	32,213,980	(75,991)	32,137,989	32,137,989	
Minot State University	62,058,916	65,266,608	(593,006)	64,673,602	64,673,602	
Valley City State University	28,470,657	26,887,399	(295,307)	26,592,092	26,592,092	
Dakota College at Bottineau	9,629,173	10,753,741	5,772,174	16,525,915	16,525,915	
Forest Service	10,650,748	10,665,400		10,665,400	10,665,400	
Total other funds	\$1,866,661,275	\$2,127,011,067	\$34,150,047	\$2,161,161,114	\$2,186,161,114	(\$25,000,000)

## Detail of Conference Committee Changes to Other Funds

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds <sup>3</sup>	Adds One- Time Funding for Campus Network Upgrades <sup>4</sup>	Adjusts One- Time Funding for Theodore Roosevelt Digitization <sup>5</sup>	Adds Funding for Capital Projects <sup>6</sup>
University System Office	\$2,039,490					
Bismarck State College			\$1,347,972			
Lake Region State College			88,026			
Williston State College			4,508,162			
University of North Dakota			1,789,883	\$1,500,000		\$30,000,000
UND Medical Center			190,067			
North Dakota State University			1,518,219	1,500,000		
State College of Science			229,432			
Dickinson State University			121,052			
Mayville State University			277,783			
Minot State University			304,220			
Valley City State University			115,105			
Dakota College at Bottineau			3,417,746			2,500,000
Forest Service						
Total other funds	\$2,039,490	\$0	\$13,907,667	\$3,000,000	\$0	\$32,500,000

	Adjusts Funding for Capital Building Funds <sup>7</sup>	Adjusts Forest Service Funding <sup>8</sup>	Total Other Funds Changes
University System Office			\$2,039,490
Bismarck State College	(\$827,696)		520,276
Lake Region State College	(273,526)		(185,500)
Williston State College	(159,918)		4,348,244
University of North Dakota	(6,669,856)		26,620,027
UND Medical Center			190,067
North Dakota State University	(6,602,620)		(3,584,401)
State College of Science	(536,592)		(307,160)
Dickinson State University	(419,918)		(298,866)
Mayville State University	(353,774)		(75,991)
Minot State University	(897,226)		(593,006)
Valley City State University	(410,412)		(295,307)
Dakota College at Bottineau	(145,572)		5,772,174
Forest Service			
Total other funds	(\$17,297,110)	\$0	\$34,150,047

## House Bill No. 1003 - North Dakota University System - All Funds Summary

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
University System Office	\$128,051,636	\$137,139,110	\$7,840,193	\$144,979,303	\$148,079,303	(\$3,100,000)
Bismarck State College	103,592,595	100,824,502	693,127	101,517,629	101,495,222	22,407
Lake Region State College	36,811,715	41,390,022	(113,478)	41,276,544	41,267,208	9,336
Williston State College	28,216,101	29,729,665	4,404,257	34,133,922	35,132,709	(998,787)
University of North Dakota	868,966,540	1,019,612,441	30,076,707	1,049,689,148	1,045,109,300	4,579,848
UND Medical Center	205,926,712	221,782,733	190,067	221,972,800	221,972,800	
North Dakota State University	740,472,371	841,887,616	(3,213,749)	838,673,867	839,673,867	(1,000,000)
State College of Science	92,694,989	97,843,036	(103,856)	97,739,180	127,712,826	(29,973,646)
Dickinson State University	47,544,670	49,955,579	(247,783)	49,707,796	50,257,796	(550,000)
Mayville State University	44,556,753	48,544,353	14,252	48,558,605	48,558,605	
Minot State University	101,809,895	104,947,947	(377,652)	104,570,295	104,570,295	
Valley City State University	48,900,159	47,919,475	1,331,550	49,251,025	49,251,025	
Dakota College at Bottineau	17,282,118	18,451,501	5,815,240	24,266,741	24,261,158	5,583
Forest Service	15,077,175	15,307,224	34,840	15,342,064	15,342,064	
Total all funds	\$2,479,903,429	\$2,775,335,204	\$46,343,715	\$2,821,678,919	\$2,852,684,178	(\$31,005,259)
FTE	6,767.76	6,609.87	0.00	6,609.87	6,609.87	0.00

## Detail of Conference Committee Changes to All Funds

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds <sup>3</sup>	Adds One-Time Funding for Campus Network Upgrades <sup>4</sup>	Adjusts One-Time Funding for Theodore Roosevelt Digitization <sup>5</sup>	Adds Funding for Capital Projects <sup>6</sup>
University System Office	\$7,840,193					
Bismarck State College		\$172,851	\$1,347,972			
Lake Region State College		72,022	88,026			
Williston State College		56,013	4,508,162			
University of North Dakota		3,456,680	1,789,883	\$1,500,000		\$30,000,000
UND Medical Center			190,067			
North Dakota State University		370,652	1,518,219	1,500,000		
State College of Science		203,304	229,432			
Dickinson State University		101,083	121,052		(\$50,000)	
Mayville State University		90,243	277,783			
Minot State University		215,354	304,220			
Valley City State University		1,626,857	115,105			
Dakota College at Bottineau		43,066	3,417,746			2,500,000
Forest Service						
Total all funds	\$7,840,193	\$6,408,125	\$13,907,667	\$3,000,000	(\$50,000)	\$32,500,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for Capital Building Funds <sup>7</sup>	Adjusts Forest Service Funding <sup>8</sup>	Total All Funds Changes
University System Office			\$7,840,193
Bismarck State College	(\$827,696)		693,127
Lake Region State College	(273,526)		(113,478)
Williston State College	(159,918)		4,404,257
University of North Dakota	(6,669,856)		30,076,707
UND Medical Center			190,067
North Dakota State University	(6,602,620)		(3,213,749)
State College of Science	(536,592)		(103,856)
Dickinson State University	(419,918)		(247,783)
Mayville State University	(353,774)		14,252
Minot State University	(897,226)		(377,652)
Valley City State University	(410,412)		1,331,550
Dakota College at Bottineau	(145,572)		5,815,240
Forest Service		\$34,840	34,840
Total all funds	(\$17,297,110)	\$34,840	\$46,343,715
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for the North Dakota University System office is adjusted as detailed in the schedules below:

The following schedule details funding adjustments for system governance:

## System Governance

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary adjustment	(\$1,055)	\$589	(\$466)
Audit fees	250,000	0	250,000
Western Interstate Commission for Higher Education dues	45,000	0	45,000
Total	\$293,945	\$589	\$294,534

The Senate did not provide funding for audit fees, but made the same adjustments to system governance for salaries and Western Interstate Commission for Higher Education dues.

The following schedule details funding adjustments for core technology services:

### Core Technology Services

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary adjustment	\$56,758	\$38,901	\$95,659

The Senate made the same adjustments to core technology services for salaries.

The following schedule details funding included in other line items in the University System office budget that were adjusted by the Conference Committee:

### Other Line Items

	<u>General Fund - Other Line Items</u>		
	<u>House Version</u>	<u>Senate Version</u>	<u>Conference Committee Version</u>
Competitive research programs	\$6,027,750	\$5,685,750	\$5,685,750
NASA EPSCoR	0	342,000	342,000
Challenge grants	2,200,000	12,500,000	9,400,000
Education incentive programs	760,000	760,000	510,000
Tribal college grants	500,000	1,000,000	1,000,000
Total	\$9,487,750	\$20,287,750	\$16,937,750

Of the \$510,000 appropriated in the education incentive programs line item in the Conference Committee version, \$250,000 is for matching grants for the University of North Dakota School of Law and \$260,000 is for graduate programs. The Conference Committee removed \$500,000 from the general fund for the technology occupations student loan program.

<sup>2</sup> The following adjustments are made to institution general fund appropriations through the higher education funding formula:

	<u>Credit-Hour Completion Adjustment</u>	<u>Salary Adjustment</u>	<u>School of Law Adjustment</u>	<u>Total</u>
Bismarck State College	\$0	\$172,851	\$0	\$172,851
Lake Region State College	0	72,022	0	72,022
Williston State College	0	56,013	0	56,013
University of North Dakota (UND)	0	663,298	2,793,382	3,456,680
North Dakota State University	0	370,652	0	370,652
North Dakota State College of Science	0	203,304	0	203,304
Dickinson State University	0	101,083	0	101,083
Mayville State University	0	90,243	0	90,243
Minot State University	0	215,354	0	215,354
Valley City State University	1,443,717	183,140	0	1,626,857
Dakota College at Bottineau	0	43,066	0	43,066
Total	\$1,443,717	\$2,171,026	\$2,793,382	\$6,408,125

The Senate also provided for the credit-hour completion adjustment at Valley City State University and provided \$2,234,682 for the UND School of Law adjustment. A cost of living adjustment added by the Senate was not included by the Conference Committee version.

<sup>3</sup> The following adjustments are made to institution other funds appropriations, the same as the Senate version:

	Salary Adjustment	Updated Other Funds Estimate	Total
Bismarck State College	\$258,585	\$1,089,387	\$1,347,972
Lake Region State College	88,026	0	88,026
Williston State College	65,468	4,442,694	4,508,162
UND	1,789,883	0	1,789,883
UND School of Medicine	190,067	0	190,067
North Dakota State University	1,518,219	0	1,518,219
North Dakota State College of Science	229,432	0	229,432
Dickinson State University	121,052	0	121,052
Mayville State University	277,783	0	277,783
Minot State University	304,220	0	304,220
Valley City State University	115,105	0	115,105
Dakota College at Bottineau	59,159	3,358,587	3,417,746
Total	\$5,016,999	\$8,890,668	\$13,907,667

<sup>4</sup> One-time funding of \$3 million is added from Bank of North Dakota profits, including \$1.5 million each for UND and North Dakota State University, for campus network upgrades. The Senate appropriated \$5 million from Bank of North Dakota profits to provide \$2.5 million each for UND and North Dakota State University for the research digital initiative.

<sup>5</sup> One-time funding from the general fund is reduced by \$50,000 to provide a total 2019-21 biennium appropriation of \$200,000 from the general fund for the digitization of documents at the Theodore Roosevelt Center. The Conference Committee also provided a 2017-19 biennium appropriation of \$550,000 from the general fund, to provide total funding of \$750,000 for the digitization of documents at the Theodore Roosevelt Center. The Senate provided \$750,000 and the House provided \$250,000 from the general fund for the digitization of documents at the Theodore Roosevelt Center.

<sup>6</sup> One-time funding is added for the following capital building projects:

	<u>Other Funds</u>
UND deferred maintenance and parking (appropriation bonds)	\$30,000,000
Dakota College at Bottineau dining facility (revenue bonds)	2,500,000
Total	\$32,500,000

<sup>7</sup> The 1 percent tuition increase component of the Tier II capital building fund program is removed as follows, the same as the Senate version:

	1 Percent Tuition Increase	Institution Match	Total
Bismarck State College	(\$413,848)	(\$413,848)	(\$827,696)
Lake Region State College	(136,763)	(136,763)	(273,526)
Williston State College	(79,959)	(79,959)	(159,918)
UND	(3,334,928)	(3,334,928)	(6,669,856)
North Dakota State University	(3,301,310)	(3,301,310)	(6,602,620)
North Dakota State College of Science	(268,296)	(268,296)	(536,592)
Dickinson State University	(209,959)	(209,959)	(419,918)
Mayville State University	(176,887)	(176,887)	(353,774)
Minot State University	(448,613)	(448,613)	(897,226)
Valley City State University	(205,206)	(205,206)	(410,412)
Dakota College at Bottineau	(72,786)	(72,786)	(145,572)
Total	(\$8,648,555)	(\$8,648,555)	(\$17,297,110)

<sup>8</sup> Funding for the Forest Service 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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020.

## House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Adds a 2017-19 biennium appropriation of \$491,850 from the general fund for Williston State College due to a funding formula error, the same as the Senate version.
- Does not add a 2017-19 biennium appropriation of \$250,000 from the general fund for a UND School of Law challenge grant program added by the Senate. The Conference Committee provided a 2019-21 biennium appropriation of \$250,000 from the general fund for the program.

- Adds a 2017-19 biennium appropriation of \$550,000 from the general fund for the digitization of documents at the Theodore Roosevelt Center at Dickinson State University, to provide total funding of \$750,000 for the project. The Senate included a 2019-21 biennium appropriation of \$750,000 from the general fund for the project.
- Adds a 2017-19 biennium appropriation of \$2.7 million from the general fund for campus workforce initiative projects. The Senate provided a 2017-19 biennium appropriation of \$3 million from the general fund for campus workforce initiative projects.
- Removes three sections added by the House relating to facility space and maintenance reserves, the same as the Senate version.
- Amends North Dakota Century Code Section 15-10-12.1 to allow Budget Section approval of building projects that, net of removed buildings, do not result in additional square footage on campus.
- Creates a new section to Chapter 15-10 to provide repayment provisions for the professional student exchange program.
- Creates a new section to Chapter 15-10 relating to Ray Richards golf course and the UND men's varsity golf program.
- Names the Lake Region State College precision agriculture center the Curtis and Annette Hofstad Agricultural Center.
- Repeals Section 15-10-37, relating to the technology occupations student loan program.
- Provides for the sale of certain properties owned by UND, the same as the Senate version.
- Provides appropriation bond authority for UND deferred maintenance and parking projects. The Senate provided appropriation bond authority for only the deferred maintenance projects
- Provides revenue bond authority for the Dakota College at Bottineau dining facility project. The Senate had also included revenue bond authority for UND parking projects.
- Does not make the Senate adjustment to reduce the matching requirement for Tier III capital building fund money to provide for a dollar-to-dollar match. The match is 2 to 1, the same as the House version.
- Provides authority to use capital building fund money for additional capital projects, the same as the Senate version.
- Provides Tier II and Tier III capital building fund money may not be used until an institution has matched 75 percent of its extraordinary repairs funding appropriated from the general fund.
- Adjusts the tuition rate increase limitation for certain resident undergraduate tuition rate increases to 4 percent per year, the same as the Senate version.
- Provides for a Legislative Management study of EPSCoR.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1011, as engrossed:** Your conference committee (Sens. Krebsbach, G. Lee, Grabinger and Reps. Bellew, Brandenburg, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1634-1636, adopt amendments as follows, and place HB 1011 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1634-1636 of the House Journal and pages 1353-1354 of the Senate Journal and that Engrossed House Bill No. 1011 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to provide for a report"

Page 1, replace lines 13 through 17 with:

"Highway patrol	<u>\$57,230,706</u>	<u>\$4,263,397</u>	<u>\$61,494,103</u>
Total all funds	\$57,230,706	\$4,263,397	\$61,494,103



Less estimated income	14,703,278	2,495,420	17,198,698
Total general fund	\$42,527,428	\$1,767,977	\$44,295,405
Full-time equivalent positions	204.00	(7.00)	197.00"

Page 2, line 25, replace "\$7,089,982" with "\$7,204,043"

Page 2, line 31, replace "\$3,349,489" with "\$3,356,069"

Page 3, after line 16, insert:

**"SECTION 8. RELOCATION OF LAW ENFORCEMENT TRAINING ACADEMY - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** During the 2019-20 interim, the highway patrol shall develop alternatives to relocate the housing and classroom portions of the law enforcement training academy. In developing the alternatives, the highway patrol shall review locations for a new facility, evaluate the proper capacity of the facility to serve future law enforcement training needs, and obtain estimated costs of each alternative. The highway patrol shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the alternatives to relocate the training academy."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1011 - Highway Patrol - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Highway patrol	\$57,230,706	\$60,496,496	\$997,607	\$61,494,103	\$62,164,736	(\$670,633)
Total all funds	\$57,230,706	\$60,496,496	\$997,607	\$61,494,103	\$62,164,736	(\$670,633)
Less estimated income	14,703,278	17,062,742	135,956	17,198,698	17,570,753	(372,055)
General fund	\$42,527,428	\$43,433,754	\$861,651	\$44,295,405	\$44,593,983	(\$298,578)
FTE	204.00	195.00	2.00	197.00	201.00	(4.00)

#### Department 504 - Highway Patrol - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Salary Funding <sup>2</sup>	Restores a Portion of Salaries and Wages Funding for FTE Trooper Positions <sup>3</sup>	Total Conference Committee Changes
Highway patrol	\$176,497	\$195,110	\$626,000	\$997,607
Total all funds	\$176,497	\$195,110	\$626,000	\$997,607
Less estimated income	48,316	0	87,640	135,956
General fund	\$128,181	\$195,110	\$538,360	\$861,651
FTE	0.00	0.00	2.00	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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020.

<sup>2</sup> Funding is adjusted for the salaries and wages of 2 FTE positions that were miscoded in the agency's budget request. The Senate also made this adjustment.

<sup>3</sup> Two of the four FTE trooper positions and related funding of \$371,000 removed by the House are restored. Salary funding of \$255,000 for the 2 unrestored trooper positions is also added back for agency salary equity funding adjustments. The Senate version restored funding for all 4 FTE trooper positions.

Two FTE crash assistance positions and related funding added by the Senate are not included in the Conference Committee amendments. Adjustments made by the Senate to Section 3 of the bill related to the crash assistance program are also not included.

This amendment also:

- Amends Sections 4 and 5 of the bill to adjust the amount of funding provided from the highway tax distribution fund and motor carrier electronic permit fund.
- Adds a section to require the Highway Patrol to develop alternatives to relocate the Law Enforcement Training Academy and to report to the Appropriations Committees of the 67th Legislative Assembly regarding the alternatives. This section was also added by the Senate.

Engrossed HB 1011 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1012, as engrossed:** Your conference committee (Sens. G. Lee, Oehlke, Grabinger and Reps. Brandenburg, Vigesaa, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1569-1571, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1569-1571 of the House Journal and pages 1322-1324 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new subsection to section 57-40.3-04 of the North Dakota Century Code, relating to exemptions from motor vehicle excise tax;"

Page 1, line 4, after the first semicolon insert "to provide for a contingent loan authorization; provide a contingent appropriation;"

Page 1, line 4, remove "to provide for the operation of maintenance"

Page 1, line 5, replace "section sites" with "to provide legislative intent"

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

Page 1, replace lines 15 through 20 with:

"Salaries and wages	\$201,478,341	(\$3,651,303)	\$197,827,038
Operating expenses	229,381,646	28,156,139	257,537,785
Capital assets	771,101,851	89,924,093	861,025,944
Grants	<u>67,528,030</u>	<u>28,326,607</u>	<u>95,854,637</u>
Total special funds	\$1,269,489,868	\$142,755,536	\$1,412,245,404
Full-time equivalent positions	1,047.00	(65.00)	982.00"

Page 2, line 20, replace "2017-19" with "2019-21"

Page 2, line 20, replace "2019" with "2021"

Page 2, line 21, replace "2019" with "2021"

Page 2, line 21, replace "2021" with "2023"

Page 2, line 29, after "**APPROPRIATION**" insert "- **2017-19 BIENNIUM**"

Page 2, line 29, replace "**ENHANCED STATE HIGHWAY**" with "**ROAD MAINTENANCE**"

Page 3, line 1, remove "enhanced state"

Page 3, line 2, replace "highway improvements" with "road maintenance"

Page 3, line 6, replace "enhanced state highway improvements" with "road maintenance"

Page 3, after line 6, insert:

**"SECTION 7. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - HIGHWAY IMPROVEMENT PROJECTS.** The department of

transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation for matching federal funds that may become available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants, which were applied for after February 1, 2019, during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of transportation shall request from the sixty-seventh legislative assembly an appropriation to repay any outstanding loans authorized in this section. The appropriation in this section is a one-time funding item."

Page 3, replace lines 21 through 30 with:

**"SECTION 9. LEGISLATIVE INTENT - MAINTENANCE SECTION SITES - SEASONAL WINTER SERVICES.** It is the intent of the sixty-sixth legislative assembly that the department of transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley maintenance section sites for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 4, replace lines 8 through 11 with:

**"SECTION 11.** A new subsection to section 57-40.3-04 of the North Dakota Century Code is created and enacted as follows:

Any motor vehicle in the possession of and used exclusively by a public transportation provider that receives a distribution of funds under section 39-04.2-04 to provide public transportation services.

**SECTION 12. EFFECTIVE DATE.** Section 11 of this Act is effective for taxable events occurring after June 30, 2019."

Page 4, line 12, replace "7" with "8"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$201,478,341	\$201,938,923	(\$4,111,885)	\$197,827,038	\$198,161,038	(\$334,000)
Operating expenses	229,381,646	249,253,334	8,284,451	257,537,785	257,537,785	
Capital assets	771,101,851	861,025,944		861,025,944	861,025,944	
Grants	67,528,030	95,854,637		95,854,637	95,854,637	
Short line railroad program		2,500,000		2,500,000	2,500,000	
Contingent Bank of North Dakota Loan			50,000,000	50,000,000		50,000,000
Total all funds	\$1,269,489,868	\$1,410,572,838	\$54,172,566	\$1,464,745,404	\$1,415,079,404	\$49,666,000
Less estimated income	1,269,489,868	1,408,072,838	54,172,566	1,462,245,404	1,412,579,404	49,666,000
General fund	\$0	\$2,500,000	\$0	\$2,500,000	\$2,500,000	\$0
FTE	1,047.00	1,005.00	(23.00)	982.00	984.00	(2.00)

### Department 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Restores and Adds FTE Positions <sup>2</sup>	Transfers 41 FTE for IT Unification <sup>3</sup>	Adds Contingent Bank of North Dakota Loan <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$778,127	\$3,334,000	(\$8,224,012)		(\$4,111,885)
Operating expenses			8,284,451		8,284,451
Capital assets					
Grants					
Short line railroad program					
Contingent Bank of North Dakota Loan				\$50,000,000	50,000,000
Total all funds	\$778,127	\$3,334,000	\$60,439	\$50,000,000	\$54,172,566
Less estimated income	778,127	3,334,000	60,439	50,000,000	54,172,566
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	18.00	(41.00)	0.00	(23.00)

<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 same as the Senate version. The House provided funding for salary increases of 2 percent per year.

<sup>2</sup> The Conference Committee restored 16 FTE positions (\$3,000,000) of the 42 FTE positions removed by the House and added 2 FTE positions which relate to Fargo driver's license operations (\$334,000). The Senate restored the 16 FTE positions (\$3,000,000) and added 4 FTE positions (\$668,000) of which 2 relate to Fargo driver's license operations.

<sup>3</sup> Forty-one FTE positions are transferred to the Information Technology Department for the IT unification project, resulting in reduced salaries and wages of \$8,224,012 and increased operating expenses of \$8,284,451, the same as the Senate version. The House version did not include the IT unification project.

<sup>4</sup> A \$50 million contingent appropriation from proceeds received from a contingent loan from the Bank of North Dakota is added for providing one-time funding for matching federal grants the department applied for after February 1, 2019, the same as the Senate version. The House did not include this section.

This amendment also:

- Provides that \$503,115,558 appropriated in the capital assets line item in House Bill No. 1012 (2015) relating to enhanced state highway investments is exempt from provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2021-23 biennium, the same as the Senate version. The House authorized these funds to be continued into the 2019-21 biennium only.
- Changes the purpose of the \$13 million from the general fund provided by the House for the 2017-19 biennium from enhanced state highway funding to road maintenance funding, the same as the Senate version.
- Adds a section authorizing the Department of Transportation to obtain a contingent loan from the Bank of North Dakota and appropriates those funds to the Department of Transportation for the purpose of matching federal grants that the department applies for after February 1, 2019, the same as the Senate version. The House did not include this section.
- Removes a section added by the House directing the department to establish the Mayville section site as a satellite site of the Hillsboro section and set requirements for seasonal winter services in the Courtenay, Gackle, New England, and Finley sections, the same as the Senate version.
- Adds a section of legislative intent that the Department of Transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley sections, neither the Senate nor the House included this section.
- Creates a new subsection to Section 57-40.3-04 to provide an exemption from the

motor vehicle excise tax for vehicles purchased by public transportation providers that receive state funding through the highway tax distribution formula and provide public transportation services and provides an effective date, same as the Senate version. The House version did not include these sections.

- Removes a section added by the House requiring the Department of Transportation to report to the 2021 Legislative Assembly regarding the department's state fleet expenditures compared to its 2019-21 biennium budgeted amounts, same as the Senate version.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1013, as engrossed:** Your conference committee (Sens. Wanzek, Hogue, Grabinger and Reps. Kempenich, Bellew, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1556-1557, adopt amendments as follows, and place HB 1013 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1556 and 1557 of the House Journal and pages 1324 and 1325 of the Senate Journal and that Engrossed House Bill No. 1013 be amended as follows:

Page 1, line 2, remove "to create and enact a new subdivision to subsection 1 of section"

Page 1, remove lines 3 and 4

Page 1, line 5, replace "Code, relating to the investments of the board of university and school lands;" with "to create and enact a new section to chapter 15-02 of the North Dakota Century Code; relating to investment reports;"

Page 1, line 8, after the first semicolon insert "and"

Page 1, line 8, remove "; and to provide a contingent effective date"

Page 1, replace lines 18 through 22 with:

"Salaries and wages	\$6,005,550	(\$280,171)	\$5,725,379
Operating expenses	1,775,723	857,299	2,633,022
Grants	0	2,000,000	2,000,000
Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$7,881,273	\$2,577,128	\$10,458,401"

Page 2, replace lines 6 through 11 with:

"Information technology replacement project	\$3,600,000	\$0
Airport grants	40,000,000	0
Mineral revenue repayments	187,000,000	0
Oil and gas impact grants	0	2,000,000
Mineral valuation study	<u>0</u>	<u>350,000</u>
Total special funds	\$230,600,000	\$2,350,000"

Page 3, line 6, replace "\$4,000,000" with "\$2,000,000"

Page 3, replace lines 12 through 21 with:

**"SECTION 6.** A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

#### **Investment reports - Report to budget section.**

The commissioner shall prepare annual reports on the investment performance of each fund under its control. The reports must be comparable to the reports prepared by the state investment board under section 21-10-06.1. The reports must identify the expenses deducted from each fund, including details on investment management fees, advisory fees, transaction fees, the agency's

expenses attributed to the fund, and any other costs. The commissioner shall report at least annually to the budget section on the status of its investment performance."

Page 3, line 24, replace "\$4,000,000" with "\$2,000,000"

Page 4, line 11, remove "- CONTINGENT EFFECTIVE DATE"

Page 4, line 11, remove "Sections 6 and 7 of"

Page 4, remove lines 12 through 14

Page 4, line 15, remove "to the state investment board."

Page 4, line 15, replace "8" with "7"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1013 - Department of Trust Lands - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,005,550	\$5,705,584	\$19,795	\$5,725,379	\$5,725,379	
Operating expenses	1,775,723	2,203,680	429,342	2,633,022	2,633,022	
Grants		4,000,000	(2,000,000)	2,000,000	4,000,000	(\$2,000,000)
Contingencies	100,000	100,000		100,000	100,000	
Total all funds	\$7,881,273	\$12,009,264	(\$1,550,863)	\$10,458,401	\$12,458,401	(\$2,000,000)
Less estimated income	7,881,273	12,009,264	(1,550,863)	10,458,401	12,458,401	(2,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	31.00	28.00	0.00	28.00	28.00	0.00

#### Department 226 - Department of Trust Lands - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds FTE Positions <sup>2</sup>	Adjusts Funding and FTE Positions for IT Unification <sup>3</sup>	Reduces Funding for Grants <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$13,906	\$371,822	(\$365,933)		\$19,795
Operating expenses		43,670	385,672		429,342
Grants				(\$2,000,000)	(2,000,000)
Contingencies					
Total all funds	\$13,906	\$415,492	\$19,739	(\$2,000,000)	(\$1,550,863)
Less estimated income	13,906	415,492	19,739	(2,000,000)	(1,550,863)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	2.00	(2.00)	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 a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding is added for 2 FTE positions, including an administrative assistant (\$123,361) and an attorney (\$248,461), and related operating expenses (\$43,670). Pursuant to the provisions of North Dakota Century Code Section 54-12-09, the attorney position is assigned to the agency under appointment by the Attorney General. The Senate included the FTE positions, but the House did not.

<sup>3</sup> Two FTE positions are transferred to the Information Technology Department for the information technology unification project, reducing salaries and wages by \$365,933 and increasing operating expenses by \$385,672. The Senate included the information technology unification project, but the House did not.

<sup>4</sup> One-time funding for grants from the oil and gas impact grant fund is reduced by \$2 million, from \$4 million to \$2 million. This funding is in addition to the estimated \$1 million of funding

available from prior bienniums and authorized to continue in the 2019-21 biennium. The related transfer from the strategic investment and improvements fund is also reduced. Both the House and the Senate provided \$4 million for grants.

This amendment:

- Reduces the transfer from the strategic investment and improvements fund to the oil and gas impact grant fund by \$2 million, from \$4 million to \$2 million. The House and the Senate transferred \$4 million.
- Does not include two sections, which were added by the House, to provide the statutory changes necessary to require the Board of University and School Lands to make investments through the State Investment Board. A contingent effective date relating to the statutory changes was not included.
- Creates a new section to Chapter 15-02 requiring the Commissioner of University and School Lands to prepare investment reports in a manner similar to the State Investment Board's reports and to report to the Budget Section semiannually. Neither the House nor the Senate included this reporting provision.

Engrossed HB 1013 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1014, as engrossed:** Your conference committee (Sens. Sorvaag, Holmberg, Mathern and Reps. Brandenburg, Vigesaa, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1763-1779, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1763-1779 of the House Journal and pages 1454-1470 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, line 2, after the second "commission" insert "; to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a rebuilders home loan program"

Page 1, line 3, after "reenact" insert "section 54-17-40 and"

Page 1, line 4, after "Code" insert "and section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly"

Page 1, line 4, after "to" insert "the housing incentive fund,"

Page 1, line 5, after "fund" insert ", and a transfer to the statewide interoperable radio network fund"

Page 1, line 5, replace "and" with "to provide for a contingent transfer;"

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

Page 1, remove lines 18 through 24

Page 2, replace line 1 with:

"Salaries and wages	\$22,014,084	\$1,570,366	\$23,584,450
Operating expenses	5,305,888	794,339	6,100,227
Capital assets	0	5,000,000	5,000,000
Grants - bond payments	13,210,484	(2,701,717)	10,508,767
Contingencies	<u>221,737</u>	<u>7,807</u>	<u>229,544</u>
Total all funds	\$40,752,193	\$4,670,795	\$45,422,988
Less estimated income	<u>15,343,206</u>	<u>2,650,584</u>	<u>17,993,790</u>
Total general fund	\$25,408,987	\$2,020,211	\$27,429,198"

Page 2, replace lines 7 through 9 with:

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

Page 2, replace lines 15 through 19 with:

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

Page 2, replace lines 25 through 30 with:

"Salaries and wages	\$39,308,519	\$7,139,305	\$46,447,824
Operating expenses	28,195,000	1,642,000	29,837,000
Contingencies	500,000	0	500,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total special funds	\$68,213,519	\$8,781,305	\$76,994,824
Full-time equivalent positions	153.00	3.00	156.00"

Page 3, replace lines 4 through 6 with:

"Grand total general fund	\$25,408,987	\$9,540,211	\$34,949,198
Grand total special funds	<u>187,386,168</u>	<u>19,382,136</u>	<u>206,768,304</u>
Grand total all funds	\$212,795,155	\$28,922,347	\$241,717,502"

Page 3, replace lines 12 through 19 with:

"Litigation	\$1,000,000	\$0
Industrial water supply asset study	150,000	0
Soil remediation studies	5,000,000	0
Survey review	800,000	0
Temporary employees	0	175,000
Rare earth elements study	0	160,000
Fracturing sand study	0	110,000
Oil database software upgrade	<u>0</u>	<u>5,000,000</u>
Total all funds	\$6,950,000	\$5,445,000
Less estimated income	<u>6,950,000</u>	<u>5,270,000</u>
Total general fund	\$0	\$175,000"

Page 4, after line 15, insert:

**"SECTION 5. APPROPRIATION - TRANSFER GENERAL FUND TO HIGH-LEVEL RADIOACTIVE WASTE FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000, which the office of management and budget shall transfer to the high-level radioactive waste fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

**SECTION 6. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING INCENTIVE FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,500,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

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

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

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



Page 5, line 16, replace "\$3,000,000" with "\$4,000,000"

Page 5, line 18, remove "biennium beginning"

Page 5, line 19, replace "July 1, 2019," with "period beginning with the effective date of this Act"

Page 5, line 19, after the period insert "The Bank may use up to \$1,000,000 of the funding provided in this section to expand the parameters for the agriculture partnership in assisting community expansion program to assist farmers and livestock producers that suffered extraordinary losses related to river flooding in the state due to ice jams in the winter and spring of 2019 for the period beginning with the effective date of this Act and ending June 30, 2021."

Page 6, after line 3, insert:

**"SECTION 15. TRANSFER - REBUILDERS LOAN PROGRAM PAYMENTS TO REBUILDERS HOME LOAN FUND.** From the principal payments received under the rebuilders loan program established in section 6-09-46, which were designated to replenish the Bank of North Dakota's current earnings and undivided profits pursuant to section 3 of chapter 83 of the 2013 Session Laws, the Bank shall transfer the sum of \$3,750,000 to the rebuilders home loan fund during the period beginning with the effective date of this Act and ending June 30, 2021. Any funds not committed to loans by September 30, 2020, must be returned to the Bank's current earnings and undivided profits.

**SECTION 16. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO INFRASTRUCTURE REVOLVING LOAN FUND.** The office of management and budget shall transfer up to \$40,000,000 of any oil and gas tax revenues deposited in the strategic investment and improvements fund during the period August 1, 2017, through July 31, 2019, exceeding \$755,000,000, from the strategic investment and improvements fund to the infrastructure revolving loan fund established under section 6-09-49, during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, after line 12, insert:

**"SECTION 19. OIL AND GAS RESEARCH FUND - RECYCLING PRODUCED WATER STUDY - REPORT TO LEGISLATIVE MANAGEMENT.** Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial commission shall use \$300,000, or so much of the sum as may be necessary, from the oil and gas research fund to contract with the sponsor of the proposal selected for the study. The industrial commission shall issue a request for proposals for a study regarding the recycling of water used in oil and gas operations, also known as produced water, from oil and gas-producing regions of North Dakota. The study must include the development or compilation of data regarding methods for the recycling of produced water specific to this state, and must examine the relevant, objective economic, regulatory, scientific, technological, and feasibility considerations. The contractor shall provide reports on the status of the study at the request of the legislative management during the 2019-20 interim and shall provide a final report to the legislative management by October 1, 2020.

**SECTION 20.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Rebuilders home loan program - Rebuilders home loan fund - Continuing appropriation - Requirements.**

1. There is created in the state treasury the rebuilders home loan fund administered by the Bank of North Dakota. The fund consists of all moneys transferred to the fund by the legislative assembly. All moneys in the fund are appropriated to the Bank on a continuing basis for the rebuilders home loan program.

2. The Bank shall develop policies to implement this section. The Bank shall make or participate in loans to North Dakota residents affected by river flooding in the state due to ice jams in the winter and spring of 2019. Loans are available for rebuilding the resident's flood-damaged home or rebuilding nonowner-occupied property. A loan from the fund must have the interest rate fixed at one percent per year for no more than twenty years. A loan made to a homeowner or owner of nonowner-occupied property under this section may not exceed the lesser of seventy-five thousand dollars or the actual amount of documented damage not paid by flood insurance. For purposes of this section, "nonowner-occupied property" means property consisting of one or more rental dwelling units, none of which is occupied by the owner, and does not include hotel or motel accommodations or any other commercial property. For a resident rebuilding the resident's flood-damaged home, up to twenty percent of the loan proceeds disbursed under this program may be used for debt service, debt retirement, or other credit obligations. For every loan made from the fund to a homeowner to rebuild or replace that individual's flood-damaged home, principal and interest payments must be deferred for the first twenty-four months of the loan. There is no deferral of principal and interest payments for a loan for nonowner-occupied property.
3. A resident homeowner or owner of nonowner-occupied property is eligible for a loan under this section only if the home or property is located in an area affected by river flooding in the state due to ice jams in the winter and spring of 2019. To qualify for a loan under this section, the owner of nonowner-occupied property must have been the owner at the time of the flooding event, and the number of rental dwelling units in the property rebuilt under this section must remain the same as before the flooding event. A loan to the owner of nonowner-occupied property must be secured by the property for which the loan is made.
4. An application for a loan from the fund must be made to the Bank or originating financial institution, and, upon approval, a loan must be made from the fund in accordance with this section. An application for a loan to a homeowner or for a loan for nonowner-occupied property under this section may not be accepted after September 30, 2020.
5. Repayments to the rebuilders home loan fund must be transferred annually to replenish the Bank's current earnings and undivided profits which were transferred to the rebuilders home loan fund. If, subsequent to receiving a loan from the fund, the property for which the loan was made is purchased for flood mitigation purposes or otherwise sold, the balance of the loan and any interest accrued on the loan must be repaid to the fund upon the closing of the sale. If the borrower provides financial evidence satisfactory to the Bank to show that the borrower does not have the financial ability to repay the loan in full upon sale of the property, after the sale of the property the Bank may allow the borrower to continue to make payments based on the loan terms.
6. The Bank may deduct, from interest payments received on loans, a service fee for administering the fund for the Bank and originating financial institutions. The Bank shall contract with a certified public accounting firm to audit the fund as necessary. The cost of the audit, and any other actual costs incurred by the Bank on behalf of the fund, must be paid by the fund.

**SECTION 21. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct

disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.

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

~~register must also reflect those entities that are providing rent subsidies for their essential workers.~~

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

Page 6, after line 26, insert:

**"SECTION 23. AMENDMENT.** Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND.** ~~The~~After ~~other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, the industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021."~~

Page 7, line 8, replace "\$14,000,000" with "\$16,000,000"

Page 7, line 11, replace "\$4,000,000" with "\$6,000,000"

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

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

Page 8, after line 16, insert:

**"SECTION 29. HEDGING STRATEGIES STUDY - BANK OF NORTH DAKOTA - REPORT TO LEGISLATIVE ASSEMBLY.** During the 2019-20 interim, the Bank of North Dakota shall conduct a study on the use of various hedging strategies to protect the state from volatile swings in oil prices. Before January 15, 2021, the Bank of North Dakota shall report the results of its study to the appropriations committees of the sixty-seventh legislative assembly.

**SECTION 30. LEGISLATIVE INTENT - LIGNITE RESEARCH FUND - LIGNITE LITIGATION.** It is the intent of the sixty-sixth legislative assembly that at least \$500,000 of the funding in section 28 of this Act and any funding deposited in the lignite research fund related to successful litigation is available from the lignite research fund to be used to pay fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources.

**SECTION 31. EMERGENCY.** Sections 11, 15, and 20 of this Act are declared to be an emergency measure."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1014 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$0	\$0	\$7,520,000	\$7,520,000	\$20,020,000	(\$12,500,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$7,520,000	\$7,520,000	\$20,020,000	(\$12,500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Industrial Commission						
Total all funds	\$40,752,193	\$45,027,118	\$395,870	\$45,422,988	\$45,442,988	(\$20,000)
Less estimated income	15,343,206	17,987,425	6,365	17,993,790	18,013,790	(20,000)
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198	\$27,429,198	\$0
FTE	110.25	112.25	0.00	112.25	112.25	0.00
Bank of North Dakota						
Total all funds	\$59,299,204	\$64,164,235	\$193,564	\$64,357,799	\$64,357,799	\$0
Less estimated income	59,299,204	64,164,235	193,564	64,357,799	64,357,799	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50	181.50	0.00
Housing Finance Agency						
Total all funds	\$44,530,239	\$47,374,675	\$47,216	\$47,421,891	\$47,421,891	\$0
Less estimated income	44,530,239	47,374,675	47,216	47,421,891	47,421,891	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	44.00	44.00	0.00	44.00	44.00	0.00
Mill and Elevator						
Total all funds	\$68,213,519	\$76,839,812	\$155,012	\$76,994,824	\$77,124,895	(\$130,071)
Less estimated income	68,213,519	76,839,812	155,012	76,994,824	77,124,895	(130,071)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	153.00	155.00	1.00	156.00	157.00	(1.00)
Bill total						
Total all funds	\$212,795,155	\$233,405,840	\$8,311,662	\$241,717,502	\$254,367,573	(\$12,650,071)
Less estimated income	187,386,168	206,366,147	402,157	206,768,304	206,918,375	(150,071)
General fund	\$25,408,987	\$27,039,693	\$7,909,505	\$34,949,198	\$47,449,198	(\$12,500,000)
FTE	488.75	492.75	1.00	493.75	494.75	(1.00)

## House Bill No. 1014 - Office of Management and Budget - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
High-level radioactive waste fund			\$20,000	\$20,000	\$20,000	
Housing incentive fund			7,500,000	7,500,000	20,000,000	(\$12,500,000)
Total all funds	\$0	\$0	\$7,520,000	\$7,520,000	\$20,020,000	(\$12,500,000)
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$7,520,000	\$7,520,000	\$20,020,000	(\$12,500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

## Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Transfer to High-Level Radioactive Waste Fund <sup>1</sup>	Transfer to Housing Incentive Fund <sup>2</sup>	Total Conference Committee Changes
High-level radioactive waste fund	\$20,000		\$20,000
Housing incentive fund		\$7,500,000	7,500,000
Total all funds	\$20,000	\$7,500,000	\$7,520,000
Less estimated income	0	0	0
General fund	\$20,000	\$7,500,000	\$7,520,000
FTE	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$20,000 is added from the general fund for a transfer to the high-level

radioactive waste fund, the same as the Senate version. The House did not include this transfer.

<sup>2</sup> One-time funding of \$7.5 million is added from the general fund for a transfer to the housing incentive fund, a decrease of \$12.5 million from the Senate version. The House did not transfer funding for the housing incentive fund.

A section is added providing for a contingent transfer of up to \$40 million of oil and gas tax revenue deposited in the strategic investment and improvements fund in excess of approximately \$10 million more than the legislative estimate for the 2017-19 biennium to the infrastructure revolving loan fund.

#### House Bill No. 1014 - Industrial Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$22,014,084	\$23,296,820	\$287,630	\$23,584,450	\$23,584,450	
Operating expenses	5,305,888	5,991,987	108,240	6,100,227	6,120,227	(\$20,000)
Capital assets		5,000,000		5,000,000	5,000,000	
Grants - Bond payments	13,210,484	10,508,767		10,508,767	10,508,767	
Contingencies	221,737	229,544		229,544	229,544	
Total all funds	\$40,752,193	\$45,027,118	\$395,870	\$45,422,988	\$45,442,988	(\$20,000)
Less estimated income	15,343,206	17,987,425	6,365	17,993,790	18,013,790	(20,000)
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198	\$27,429,198	\$0
FTE	110.25	112.25	0.00	112.25	112.25	0.00

#### Department 405 - Industrial Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Funding for Operating Expenses <sup>2</sup>	Adds Funding for Temporary Employees <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	\$112,630		\$175,000	\$287,630
Operating expenses		\$108,240		108,240
Capital assets				
Grants - Bond payments				
Contingencies				
Total all funds	\$112,630	\$108,240	\$175,000	\$395,870
Less estimated income	6,365	0	0	6,365
General fund	\$106,265	\$108,240	\$175,000	\$389,505
FTE	0.00	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 a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding is added for operating expenses associated with 2 contingent FTE positions that were authorized in the 2017-19 biennium and will continue in the 2019-21 biennium since the contingency was met, the same as the Senate version.

<sup>3</sup> One-time funding of \$175,000 from the general fund is added to hire temporary employees to record historical information to provide guidance to current and future employees, the same as the Senate version. The House did not include this funding.

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

- Does not include one-time funding of \$20,000 from the high-level radioactive waste fund added by the Senate. The funding is available pursuant to continuing appropriation authority.
- Does not include an appropriation of \$26 million from the general fund during the 2017-19 biennium and an exemption allowing the funding to continue in the 2019-21 biennium to repay bonds issued by the Public Finance Authority, which were added by the Senate.
- Adjusts the transfer for administrative costs to provide a total transfer of \$1,172,603,

the same as the Senate version. The House provided for a transfer of \$1,150,782.

- Identifies \$300,000 from the oil and gas research fund for a study regarding the recycling of produced water and requires a report to the legislative management.
- Increases oil and gas tax revenue allocations to the oil and gas research fund for the 2019-21 biennium by \$6 million, from \$10 million to \$16 million for contracting with the Energy and Environmental Research Center for pilot projects relating to underground storage of produced natural gas. The House increased the allocations by \$4 million, and the Senate increased the allocations by \$8 million for this purpose.
- Does not include provisions added by the Senate relating to the Public Finance Authority's authorization to issue bonds to support the infrastructure revolving loan fund and resources trust fund.
- Does not include provisions added by the Senate to clarify the authority of counties to access loans from the infrastructure revolving loan fund.
- Does not include authorization for the Public Finance Authority to issue up to \$500 million of bonds to support the infrastructure revolving loan fund and the resources trust fund with a term of 30 years and authorizes bond anticipation notes. The Senate added the authorization for bonds.
- Does not include a section added by the Senate identifying \$20,000 from the high-level radioactive waste fund for reimbursing travel and other expenses of the high-level radioactive waste advisory council.
- Does not include sections added by the Senate authorizing counties to use property taxes levied for capital projects for county road projects and allowing counties to borrow for up to 20 years when taxes are insufficient to meet the needs of the county, an increase from the current limit of 5 years.
- Provides legislative intent related to funding for lignite litigation expenses from the lignite research fund. The Senate version included the legislative intent for lignite litigation, but the House did not.

#### House Bill No. 1014 - Bank of North Dakota - Conference Committee Action

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

#### Department 471 - Bank of North Dakota - Detail of Conference Committee Changes

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

<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 a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

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

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

- Increases the transfer of Bank profits to the agriculture partnership in assisting community expansion by \$1 million, from \$3 million to \$4 million, and authorizes the Bank to use \$1 million to assist farmers impacted by a flooding event. An emergency clause is included related to the transfer. Both the House and the Senate provided \$3 million.
- Transfers \$3.75 million from the principal payments under the rebuilders loan program, which are designated to replenish the Bank's profits, to a newly created rebuilders home loan program. Under the rebuilders home loan program, individuals affected by a flooding event are eligible to receive a loan of up to \$75,000 with a 1 percent interest rate and a 20-year term for eligible costs associated with home repairs. An emergency clause is included related to the transfer and creation of the program. The House and Senate did not include the transfer or the new program.
- Does not include a section requiring the State Water Commission to transfer outstanding loans for water projects to the infrastructure revolving loan fund related to the repeal, effective July 1, 2021, of a revolving loan fund designated for water projects. The Senate added the transfer and repeal related to the revolving loan fund designated for water projects.
- Does not include provisions added by the Senate relating to the infrastructure revolving loan fund to allow additional entities, including institutions of higher education, to obtain low-interest loans for infrastructure projects, and to expand the types of eligible infrastructure projects.
- Adds a section to amend House Bill No. 1435 to clarify the transfer of Bank profits to the statewide interoperable radio network fund is after other funding sources have been used. The House and Senate did not include this section.
- Includes a section added by the Senate requiring the Bank to study hedging strategies related to the volatility of oil prices.

#### House Bill No. 1014 - Housing Finance Agency - Conference Committee Action

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

#### Department 473 - Housing Finance Agency - Detail of Conference Committee Changes

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

<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 a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

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



incentive fund.

### House Bill No. 1014 - Mill and Elevator - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$39,308,519	\$46,292,812	\$155,012	\$46,447,824	\$46,577,895	(\$130,071)
Operating expenses	28,195,000	29,837,000		29,837,000	29,837,000	
Contingencies	500,000	500,000		500,000	500,000	
Agriculture promotion	210,000	210,000		210,000	210,000	
Total all funds	\$68,213,519	\$76,839,812	\$155,012	\$76,994,824	\$77,124,895	(\$130,071)
Less estimated income	68,213,519	76,839,812	155,012	76,994,824	77,124,895	(130,071)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	153.00	155.00	1.00	156.00	157.00	(1.00)

### Department 475 - Mill and Elevator - Detail of Conference Committee Changes

	Adds FTE Positions <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$155,012	\$155,012
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	\$155,012	\$155,012
Less estimated income	155,012	155,012
General fund	\$0	\$0
FTE	1.00	1.00

<sup>1</sup> Funding is added for 1 FTE food safety position (\$155,012) to provide a total of 3 new FTE positions. The Senate added 4 FTE positions, and the House added 2 FTE positions.

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

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**HB 1396, as engrossed:** Your conference committee (Sens. Myrdal, D. Larson, Bakke and Reps. K. Koppelman, Satrom, Magrum) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1459, adopt amendments as follows, and place HB 1396 on the Seventh order:

That the Senate recede from its amendments as printed on page 1459 of the House Journal and page 1217 of the Senate Journal and that Engrossed House Bill No. 1396 be amended as follows:

Page 1, line 20, remove "Any person who has pled guilty or nolo contendere to, or has been"

Page 1, remove lines 21 and 22

Page 2, line 5, remove "Any person who has pled guilty or nolo contendere"

Page 2, remove lines 6 through 8

Page 2, line 12, remove "Any person who has pled guilty or nolo contendere to."

Page 2, replace lines 13 through 15 with:

"4. A person who has pled guilty or nolo contendere to, or has been found guilty of an offense under this section must be sentenced to a minimum of one year imprisonment."

Renumber accordingly

Engrossed HB 1396 was placed on the Seventh order of business on the calendar.

#### MOTION

**SEN. KLEIN MOVED** that SB 2008 be moved to the top of the calendar, which motion prevailed.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. G. LEE MOVED** that the conference committee report on Engrossed SB 2008 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2008, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salary of the commissioners and the transfer, deposit, and distribution of funds in the highway tax distribution fund; to provide for a study; to provide for a report; and to provide for a transfer.

#### ROLL CALL

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

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

**NAYS:** Larsen, O.

Reengrossed SB 2008 passed.

\*\*\*\*\*

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed HB 1003 be adopted.

#### REQUEST

**SEN. DAVISON REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1003, the conference committee report on Engrossed HB 1003 was adopted on a verification vote.

Engrossed HB 1003, as amended, was placed on the Fourteenth order of business.

#### 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, two new sections to chapter 15-10, section 15-10-48.1, and a new section to chapter 15-18 of the North Dakota Century Code, relating to the midwestern higher education compact, the university of North Dakota men's golf program, the professional student exchange program, matching grants for the university of North Dakota school of law, and the Curtis and Annette Hofstad agricultural center; to amend and reenact sections 15-10-12.1, 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 acceptance of buildings and campus improvements, 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 sections 15-10-37 and 15-10-61 of the North Dakota Century Code, relating to the technology occupations student loan program and 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 a legislative management study; to provide for reports; to provide for application; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 7 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Dotzenrod; Dwyer; Erbele; Fors; Lemm; Piepkorn; Wanzek

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

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KREBSBACH MOVED** that the conference committee report on Engrossed HB 1011 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1011, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1011:** A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol; to create and enact section 39-03-09.1 of the North Dakota Century Code, relating to job shadowing with the highway patrol; to provide for a transfer; to provide an exemption; and to provide for a report.

#### ROLL CALL

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

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

**NAYS:** Larsen, O.

Engrossed HB 1011, as amended, passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. G. LEE MOVED** that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1012, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1012:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to create and enact a new subsection to section 57-40.3-04 of the North Dakota Century Code, relating to exemptions from motor vehicle excise tax; to amend and reenact section 24-02-45.1 of the North Dakota Century Code, relating to cooperative agreements with private entities for the construction of certain items on the state highway system; to provide for a contingent loan authorization; provide a contingent appropriation; to provide for

transfers; to provide legislative intent; to provide an exemption; to provide for a study; to provide for a report; to provide an effective date; and to declare an emergency.

#### ROLL CALL

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

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

**NAYS:** Larsen, O.

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

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WANZEK MOVED** that the conference committee report on Engrossed HB 1013 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1013, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1013:** A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to create and enact a new section to chapter 15-02 of the North Dakota Century Code; relating to investment reports; to repeal section 57-51-15.1 of the North Dakota Century Code, relating to the energy impact fund; to provide for transfers; to provide for distributions from permanent funds; to provide an exemption; to provide a report; and to provide an effective date.

#### ROLL CALL

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

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

**NAYS:** Larsen, O.

Engrossed HB 1013, as amended, passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. MYRDAL MOVED** that the conference committee report on Engrossed HB 1396 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1396, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1396:** A BILL for an Act to create and enact a new subsection to section 12-67-02 of the North Dakota Century Code, relating to electronic monitoring; to amend and reenact section 14-09-22 of the North Dakota Century Code, relating to mandatory sentencing for abuse of a child; 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 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Larson, D.

Engrossed HB 1396, as amended, passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SORVAAG MOVED** that the conference committee report on Engrossed HB 1014 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1014, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1014:** A BILL for an Act to provide for an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a rebuilders home loan program; to amend and reenact section 54-17-40 and subdivision f of subsection 1 of section 57-51-15 of the North Dakota Century Code and section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, relating to the housing incentive fund, the fund balance of the abandoned oil and gas well plugging and site reclamation fund, and a transfer to the statewide interoperable radio network fund; to provide a contingent authorization; to provide for a transfer; to provide for a contingent transfer; to provide an exemption; to provide for a report; to provide for a study; to provide a statement of legislative intent; and to declare an emergency.

**ROLL CALL**

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

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

Engrossed HB 1014, as amended, passed and the emergency clause was declared carried.

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**MOTION**

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

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

**CORRECTION AND REVISION OF THE JOURNAL**

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

page 1644, line 49, replace "Paur, Hanson" with "Hanson, Paur"

page 1859, line 25, replace "Owens, Monson, Sanford" with "Monson, Sanford, Owens"

page 1884, line 5, replace "Hogue" with "Hogan"

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

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2148.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2008.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1011, HB 1013, HB 1396.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003, HB 1012, HB 1014.

**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 1015, HB 1286, HB 1333.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2008.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1002, HB 1020.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2008.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1521.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 26, 2019, I have signed the following: SB 2001.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 25, 2019, I have signed the following: SB 2140, SB 2146, SB 2216, SB 2224, SB 2306, and SB 2321.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Wanzek, Erbele, Grabinger and Reps. Monson, Schmidt, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1539-1571, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1539-1571 of the Senate Journal and pages 1674-1706 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

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 a new section to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner, and records confidentiality for warehousemen and grain buyers"

Page 1, line 4, replace "section" with "sections"

Page 1, line 4, after "4.1-01-02" insert "and 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 "and 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; and to provide a continuing appropriation"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$12,372,949	\$1,859,797	\$14,232,746
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>3,760,417</u>	<u>3,760,417</u>
Total all funds	\$30,196,777	\$5,936,058	\$36,132,835
Less estimated income	<u>21,087,676</u>	<u>4,234,730</u>	<u>25,322,406</u>
Total general fund	\$9,109,101	\$1,701,328	\$10,810,429
Full-time equivalent positions	73.00	5.00	78.00"

Page 2, replace lines 12 through 17 with:

"National genomics center	\$120,000	\$0
Federal environmental law impact review	1,000,000	0
Master customer database	0	110,000
Agricultural products utilization commission	<u>0</u>	<u>2,000,000</u>
Total all funds	\$1,120,000	\$2,110,000
Less estimated income	<u>1,120,000</u>	<u>2,000,000</u>
Total general fund	\$0	\$110,000"

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. This funding is considered a one-time funding item."

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

Page 3, line 21, replace "eighty-seven" with "eight hundred thirty-six"

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

Page 3, line 22, overstrike "six" and insert immediately thereafter "seven"

Page 3, line 22, after "fifty-six" insert "fifty-seven"

Page 3, remove lines 23 through 31

Page 4, remove lines 1 through 31

Page 5, replace lines 1 through 24 with:

**"SECTION 11. APPROPRIATION - GRAIN INSOLVENCY LITIGATION - ONE-TIME FUNDING - APPLICATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying the public service commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019, for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item. Sections 60-02.1-8 and 60-04-10 do not apply to any expenses paid from the appropriation provided in this section.

**SECTION 12. 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 13.** 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 14. AMENDMENT.** Subsection 1 of section 60-02-01 of the North Dakota Century Code is amended and reenacted as follows:

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

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

**60-02-02. 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 16 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 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 17. 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 18. 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 19. 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 20. 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 21. 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 ~~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 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 ~~commission~~ 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 ~~commission~~ 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 ~~commission~~ 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 ~~commission~~ 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~~ if, in its ~~the~~ 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 22. 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 ~~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 warehouseman files a new bond at least thirty days before liability ceases, the ~~commission~~ 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 ~~commission~~ commissioner. ~~When~~ If 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 ~~if~~ the grain will be priced and redeemed in cash in accordance with section 60-02-41.

**SECTION 23. 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 24. 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 25. 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 26. 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-~~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 27. 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 ~~commission~~commissioner may make the information available for use by other governmental entities, but the ~~commission~~commissioner may not release the information 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, 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 ~~commission~~commissioner may refuse to renew a license to any public warehouseman who fails to make a required report.

**SECTION 28. 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 ~~commission~~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 ~~commission~~commissioner, after hearing, may prohibit the use of nonfederal grades.

**SECTION 29. 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 ~~commission~~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 ~~commission~~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 ~~commission~~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~~if the grain will be priced and redeemed in cash in accordance with section 60-02-41.

**SECTION 30. 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 ~~commission~~commissioner.**

~~When~~If requested in writing, the ~~commission~~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 31. 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 32. 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 33. 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 ~~commissioner~~commissioner, upon ~~its~~the ~~commissioner's~~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 34.** 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 35. 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. ~~"Commissioner"~~"Commissioner" means the ~~public service-~~public service- ~~commissioner~~agriculture commissioner.
2. "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. "Facility" means a structure in which grain purchased by a grain buyer is received or held.
4. "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. "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. "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. "Noncredit-sale contract" means a contract for the sale of grain other than a credit-sale contract.
8. "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. "Roving grain buyer" means a grain buyer who does not operate a facility where grain is received.

**SECTION 36. 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 37. 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 38. 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 39. 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 40. 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 41. 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 42. 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 it~~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 ~~it~~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 43. 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 44. 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 45. 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 46. 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 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 ~~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 ~~commissioner~~ 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 ~~commissioner~~ commissioner may refuse to renew a license to any grain buyer who fails to make a required report.

**SECTION 47. 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner may prohibit the use of nonfederal grades.

**SECTION 48. 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner.

**SECTION 49. 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner.
3. Surrender to the ~~commissioner~~ 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 ~~commissioner~~ 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 50. 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 51. 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 52. 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

~~commissioner~~ is appointed trustee must be remitted to the ~~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 53. 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 ~~commissioner~~ may take possession of relevant books and records of the licensee. If the insolvency involves a roving grain buyer, the ~~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 ~~commissioner~~ along with the receipts, contracts, or other evidence of the claims required by the ~~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 ~~commissioner~~, the ~~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 54. 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 ~~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 55. 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 receipt holders 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 56. 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 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 any settlement or of the full amount of any bond, exonerate the person so paying from further liability growing out of the action.

**SECTION 57. 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 58. 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~~commissioner 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 ~~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 ~~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 ~~commissioner~~ by certified mail upon the licensee and the surety and by ordinary mail upon all persons having claims filed with the ~~commissioner~~.
4. Any aggrieved person having an objection to the ~~commissioner's~~ report shall file the objection with the court and serve copies on the ~~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 ~~commissioner~~ from ~~its~~the commissioner's trust.

**SECTION 59. 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 ~~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 ~~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 ~~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 ~~commissioner~~ from the trust fund and credit-sale contract indemnity funds as appropriate.

**SECTION 60. 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 ~~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~~. 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 61.** 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 62. 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 63. AMENDMENT.** Section 60-04-03 of the North Dakota Century Code is amended and reenacted as follows:

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

Upon the insolvency of any warehouseman, the ~~commission~~ 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 ~~commission~~ commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon at which time~~ 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 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 64. 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 65. 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 66. 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 ~~commission~~commissioner believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. ~~When~~If 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~~of 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 67. 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 68. 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 69. 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 receiptholders. 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~~commissioner ~~shall deem~~deems it necessary to the redemption of the receipts that all the above remedies be pursued at the same time.

**SECTION 70. 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 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 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 71. 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 72. 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 receipt holder 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~~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~~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 73. 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~~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~~commissioner, ~~its~~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 74. 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 75. 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 76. 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 77. 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 78. 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 79. 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 80. 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 81. 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 commission~~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 commission~~commissioner on a continuing basis to be used exclusively to carry out the intent and purpose of this chapter.

**SECTION 82. 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 83. 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 84. 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 85. 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 86. 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 fund must be reimbursed from the fund before any other claim for indemnity is paid.

**SECTION 87. 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 88. 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 89. 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 90. 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 91. 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 ~~commissioner~~ 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 - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$12,372,949	\$13,049,463	\$1,183,283	\$14,232,746	\$13,651,222	\$581,524
Operating expenses	6,444,336	6,577,780	125,000	6,702,780	6,702,780	
Capital assets	13,000	15,000		15,000	15,000	
Grants	8,817,774	8,823,774		8,823,774	8,823,774	
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,408,000	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission		3,176,791	583,626	3,760,417	4,000,000	(239,583)
Grain insolvency litigation			100,000	100,000		100,000
Total all funds	\$30,196,777	\$34,240,926	\$1,991,909	\$36,232,835	\$35,790,894	\$441,941
Less estimated income	21,087,676	24,503,189	819,217	25,322,406	25,366,732	(44,326)
General fund	\$9,109,101	\$9,737,737	\$1,172,692	\$10,910,429	\$10,424,162	\$486,267
FTE	73.00	75.00	3.00	78.00	77.00	1.00

## Department 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Temporary Salaries <sup>2</sup>	Adjusts 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	\$55,476	\$159,852	(\$127)		\$239,583	\$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					583,626	
Grain insolvency litigation						
Total all funds	\$55,476	\$159,852	(\$127)	\$0	\$823,209	\$853,499
Less estimated income	26,339	159,852	0	49,400	583,626	0
General fund	\$29,137	\$0	(\$127)	(\$49,400)	\$239,583	\$853,499
FTE	0.00	0.00	0.00	0.00	(1.00)	4.00

	Adds Funding for Grain Insolvency Litigation <sup>7</sup>	Total Conference Committee Changes
Salaries and wages		\$1,183,283
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		583,626
Grain insolvency litigation	\$100,000	100,000
Total all funds	\$100,000	\$1,991,909
Less estimated income	0	819,217
General fund	\$100,000	\$1,172,692
FTE	0.00	3.00

<sup>1</sup> Funding of \$51,014, of which \$24,675 is from the general fund and \$26,339 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 salary increases of 2 percent on July 1, 2019, and 3 percent increase on July 1, 2020. Funding of \$4,462 is also added from the

general fund for increases in health insurance premiums related to the transfer of 1 FTE from the Public Service Commission.

<sup>2</sup> Funding of \$159,852 is added from the Department of Agriculture operating fund for temporary salaries. The Senate and House did not add funding for temporary salaries.

<sup>3</sup> Funding of \$127 is reduced from the general fund to provide a salary equity increase of \$14,586, including increases for fringe benefits, for the Agriculture Commissioner. Of this amount, \$5,889 is related to a salary equity increase, the same salary equity increase provided to the State Treasurer. The Senate provided total funding for a salary equity increase for the Agriculture Commissioner of \$14,713 to align the Agriculture Commissioner's salary to the Tax Commissioner's salary. The House did not provide a salary equity increase for the Agriculture Commissioner.

<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. The House also provided for this funding source change to provide a total of \$1,457,400 for the program.

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

	<b>FTE</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Reduces funding from APUC special funds	(1.00)	\$0	(\$1,176,791)	(\$1,176,791)
Adjusts funding for salaries of 1 FTE APUC position	0.00	239,583	(239,583)	0
Adds one-time funding from Bank of North Dakota profits	0.00	0	2,000,000	2,000,000
Total	(1.00)	\$239,583	\$583,626	\$823,209

Total funding approved by the Conference Committee for APUC is \$4 million, of which \$1,760,417 is from the APUC fund and \$2 million is one-time funding from the profits of the Bank of North Dakota for operating expenses and grants in the APUC line item. The remaining \$239,583 is from the general fund for salaries and benefits of 1 FTE in the salaries and wages line item.

The House approved \$4 million, of which \$2 million was from the APUC fund and \$2 million was one-time funding from the profits of the Bank of North Dakota, and 1 FTE 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:

	<b>Salaries and Wages</b>	<b>Operating Expenses</b>	<b>Total General Fund</b>
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

These transfers were also provided for by the House.

<sup>7</sup> One-time funding of \$100,000 is added from the general fund to pay the Public Service Commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019. This appropriation is provided in a separate section of the bill. The Senate and House did not provide funding for this purpose.

The House removed 1 FTE undesignated position and funding of \$157,940, of which \$123,517 was from the general fund, \$6,673 was from the Department of Agriculture operating fund, and \$27,750 was from federal funds. The Conference Committee did not remove this FTE positions.

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 increase of the Agriculture Commissioner to provide a salary equity increase to the Agriculture Commissioner of \$5,889, increasing the current annual salary of \$108,656 to \$114,545 and to increase the salary to \$116,836 (2 percent) in fiscal year 2020 and to \$119,757 (2.5 percent) in fiscal year 2021.

- Adds a section related to the transfer of \$2 million from Bank of North Dakota profits to the APUC fund during the 2019-21 biennium, the same as the House version.
- Remove statutory sections related to APUC, the same as the House version. The statutory changes needed to move APUC from the Department of Commerce to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds a section to provide a one-time appropriation of \$100,000 from the general fund for the purpose of paying the Public Service Commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019. The Senate and House did not provide funding for this purpose.
- 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. The House also included this section.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1002, as engrossed:** Your conference committee (Sens. Hogue, Dever, Grabinger and Reps. Bellew, Beadle, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1565-1569, adopt amendments as follows, and place HB 1002 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1565-1569 of the House Journal and pages 1318-1321 of the Senate Journal and that Engrossed House Bill No. 1002 be amended as follows:

Page 1, line 5, remove the second "and"

Page 1, line 5, after "transfer" insert "; to provide a statement of legislative intent; to provide for a study; and to declare an emergency"

Page 1, replace lines 16 through 21 with:

"Salaries and wages	\$10,909,112	\$429,608	\$11,338,720
Operating expenses	2,731,582	(25,820)	2,705,762
Capital assets	0	977,500	977,500
Judges' retirement	80,764	(80,764)	0
Guardianship monitoring program	<u>316,204</u>	<u>(33,162)</u>	<u>283,042</u>
Total all funds	\$14,037,662	\$1,267,362	\$15,305,024
Less estimated income	<u>0</u>	<u>970,000</u>	<u>970,000</u>
Total general fund	\$14,037,662	\$297,362	\$14,335,024"

Page 2, replace lines 3 through 11 with:

"Salaries and wages	\$67,602,628	\$5,639,640	\$73,242,268
Operating expenses	20,881,207	(484,305)	20,396,902
Capital assets	0	139,852	139,852
Judges' retirement	343,290	(62,958)	280,332
University of North Dakota central legal research	<u>40,000</u>	<u>(40,000)</u>	<u>0</u>
Total all funds	\$88,867,125	\$5,192,229	\$94,059,354
Less estimated income	<u>1,339,138</u>	<u>320,458</u>	<u>1,659,596</u>
Total general fund	\$87,527,987	\$4,871,771	\$92,399,758"

Page 2, replace lines 16 through 20 with:

"Judicial conduct commission and disciplinary board	<u>\$1,174,822</u>	<u>\$76,140</u>	<u>\$1,250,962</u>
Total all funds	\$1,174,822	\$76,140	\$1,250,962
Less estimated income	<u>482,701</u>	<u>0</u>	<u>482,701</u>
Total general fund	\$692,121	\$76,140	\$768,261"

Page 2, replace lines 25 through 28 with:

"Grand total general fund	\$102,257,770	\$5,245,273	\$107,503,043
Grand total special funds	<u>1,821,839</u>	<u>1,290,458</u>	<u>3,112,297</u>
Grand total all funds	\$104,079,609	\$6,535,731	\$110,615,340
Full-time equivalent positions	355.50	7.50	363.00"

Page 3, replace lines 2 through 6 with:

"Pipeline protest trials	\$1,500,000	\$0
Copy machines	0	82,500
Audio and visual equipment	0	64,852
Law library remodel	<u>0</u>	<u>970,000</u>
Total all funds	\$1,500,000	\$1,117,352
Less estimated income	<u>1,500,000</u>	<u>970,000</u>
Total general fund	\$0	\$147,352"

Page 3, after line 10, insert:

**"SECTION 3. ESTIMATED INCOME - CAPITOL BUILDING FUND - LEGISLATIVE INTENT.** The estimated income line item in subdivision 1 of section 1 of this Act includes \$970,000 of one-time funding from the capitol building fund to remodel the supreme court law library space in the judicial wing of the state capitol. It is the intent of the sixty-sixth legislative assembly that any remodel of judicial wing space result in at least two study rooms remaining in the judicial wing for use by attorneys appearing in cases before the supreme court."

Page 3, line 15, remove "one hundred sixty thousand one hundred"

Page 3, line 16, replace "forty-nine" with "one hundred fifty-nine thousand four hundred nine"

Page 3, line 16, remove "one"

Page 3, line 17, replace "hundred sixty-three thousand three hundred fifty-two" with "one hundred sixty-three thousand three hundred ninety-four"

Page 3, line 19, replace "four thousand five hundred ninety-eight" with "four thousand five hundred eight"

Page 3, line 20, remove "four thousand six hundred"

Page 3, line 21, replace "ninety" with "four thousand six hundred twenty-one"

Page 6, line 30, remove "one hundred forty-six thousand seven hundred"

Page 6, line 31, replace the first "forty-six" with "one hundred forty-six thousand two hundred sixty-nine"

Page 7, line 1, replace "one hundred forty-nine thousand six hundred eighty-one" with "one hundred forty-nine thousand nine hundred twenty-six"

Page 7, line 6, replace "four thousand two hundred forty" with "four thousand one hundred fifty-six"

Page 7, line 7, replace "four thousand three hundred twenty-four" with "four thousand two hundred sixty"

Page 7, after line 17, insert:

**"SECTION 17. LEGISLATIVE INTENT - NEW DISTRICT COURT JUDGES.** It is the intent of the sixty-sixth legislative assembly that the judicial branch consider the relocation of current district court judge positions prior to submitting a future request for any additional district court judge positions.

**SECTION 18. JUDICIAL BRANCH STUDY - DISTRICT COURT REPORTERS - REPORT.** During the 2019-20 interim, the judicial branch shall study the need for one full-time equivalent court reporter position for each district court

judgeship. The judicial branch shall report the results of its study to the budget section by December 31, 2020.

**SECTION 19. EMERGENCY.** The \$970,000 appropriated from the capitol building fund in section 1 to remodel the law library space and section 3 of this Act are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1002 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Supreme Court						
Total all funds	\$14,037,662	\$14,315,486	\$989,538	\$15,305,024	\$15,330,024	(\$25,000)
Less estimated income	0	0	970,000	970,000	970,000	0
General fund	\$14,037,662	\$14,315,486	\$19,538	\$14,335,024	\$14,360,024	(\$25,000)
FTE	43.50	43.50	0.00	43.50	43.50	0.00
District Courts						
Total all funds	\$88,867,125	\$93,107,909	\$951,445	\$94,059,354	\$94,330,110	(\$270,756)
Less estimated income	1,339,138	1,654,171	5,425	1,659,596	1,659,596	0
General fund	\$87,527,987	\$91,453,738	\$946,020	\$92,399,758	\$92,670,514	(\$270,756)
FTE	308.00	313.00	2.00	315.00	316.00	(1.00)
Judicial Conduct Commission						
Total all funds	\$1,174,822	\$1,246,948	\$4,014	\$1,250,962	\$1,250,962	\$0
Less estimated income	482,701	501,425	(18,724)	482,701	482,701	0
General fund	\$692,121	\$745,523	\$22,738	\$768,261	\$768,261	\$0
FTE	4.00	4.50	0.00	4.50	4.50	0.00
Bill total						
Total all funds	\$104,079,609	\$108,670,343	\$1,944,997	\$110,615,340	\$110,911,096	(\$295,756)
Less estimated income	1,821,839	2,155,596	956,701	3,112,297	3,112,297	0
General fund	\$102,257,770	\$106,514,747	\$988,296	\$107,503,043	\$107,798,799	(\$295,756)
FTE	355.50	361.00	2.00	363.00	364.00	(1.00)

#### House Bill No. 1002 - Supreme Court - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$10,909,112	\$11,307,672	\$31,048	\$11,338,720	\$11,338,720	
Operating expenses	2,731,582	2,730,762	(25,000)	2,705,762	2,730,762	(\$25,000)
Capital assets		7,500	970,000	977,500	977,500	
Judges' retirement	80,764					
Guardianship monitoring program	316,204	269,552	13,490	283,042	283,042	
Total all funds	\$14,037,662	\$14,315,486	\$989,538	\$15,305,024	\$15,330,024	(\$25,000)
Less estimated income	0	0	970,000	970,000	970,000	0
General fund	\$14,037,662	\$14,315,486	\$19,538	\$14,335,024	\$14,360,024	(\$25,000)
FTE	43.50	43.50	0.00	43.50	43.50	0.00

#### Department 181 - Supreme Court - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Reduces Funding for Operating Expenses <sup>2</sup>	Adds Funding for Guardianship Monitoring <sup>3</sup>	Adds One-Time Funding to Remodel the Law Library <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$31,048				\$31,048
Operating expenses		(\$25,000)			(\$25,000)
Capital assets				\$970,000	970,000
Judges' retirement					
Guardianship monitoring program	490		\$13,000		13,490
Total all funds	\$31,538	(\$25,000)	\$13,000	\$970,000	\$989,538
Less estimated income	0	0	0	970,000	970,000
General fund	\$31,538	(\$25,000)	\$13,000	\$0	\$19,538
FTE	0.00	0.00	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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020.

<sup>2</sup> Funding for operating expenses is reduced by \$25,000 from the general fund.

<sup>3</sup> Funding is added from the general fund for guardian certification and continuing education, the same as the Senate version.

<sup>4</sup> One-time funding of \$970,000 from the Capitol building fund is added to remodel the Supreme Court Law Library space in the judicial wing of the State Capitol, the same as the Senate version. Legislative intent is also provided for the judicial branch to maintain at least two study rooms for attorneys appearing in cases before the Supreme Court.

### House Bill No. 1002 - District Courts - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$67,602,628	\$72,327,095	\$915,173	\$73,242,268	\$73,413,024	(\$170,756)
Operating expenses	20,881,207	20,426,202	(29,300)	20,396,902	20,446,902	(50,000)
Capital assets		75,000	64,852	139,852	189,852	(50,000)
Judges' retirement	343,290	279,612	720	280,332	280,332	
UND central legal research	40,000					
Total all funds	\$88,867,125	\$93,107,909	\$951,445	\$94,059,354	\$94,330,110	(\$270,756)
Less estimated income	1,339,138	1,654,171	5,425	1,659,596	1,659,596	0
General fund	\$87,527,987	\$91,453,738	\$946,020	\$92,399,758	\$92,670,514	(\$270,756)
FTE	308.00	313.00	2.00	315.00	316.00	(1.00)

### Department 182 - District Courts - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds FTE Positions <sup>2</sup>	Reduces Funding for Operating Expenses <sup>3</sup>	Adds Funding for Drug Court <sup>4</sup>	Adds One-Time Funding for Audio and Video Equipment <sup>5</sup>	Total Conference Committee Changes
Salaries and wages	\$215,696	\$594,937		\$104,540		\$915,173
Operating expenses			(\$50,000)	20,700		(29,300)
Capital assets					\$64,852	64,852
Judges' retirement	720					720
UND central legal research						
Total all funds	\$216,416	\$594,937	(\$50,000)	\$125,240	\$64,852	\$951,445
Less estimated income	5,425	0	0	0	0	5,425
General fund	\$210,991	\$594,937	(\$50,000)	\$125,240	\$64,852	\$946,020
FTE	0.00	2.00	0.00	0.00	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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020.

<sup>2</sup> The following FTE positions and related funding are added:

	FTE Positions	General Fund
Judge - South central district	1.0	\$413,932
Court reporter - South central district	1.0	181,005
Total	2.0	\$594,937

The Conference Committee did not include \$170,756 for 1 FTE juvenile court officer in the southeast district, which the Senate had added.

<sup>3</sup> Funding for operating expenses is reduced by \$50,000 from the general fund.

<sup>4</sup> Funding is added for a drug court in the Southeast Judicial District.

<sup>5</sup> One-time funding of \$64,852 is added from the general fund for district court audio and video equipment. The Senate provided \$114,852 from the general fund and the House did

not provide funding for audio and video equipment.

### House Bill No. 1002 - Judicial Conduct Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Judicial Conduct Commission	\$1,174,822	\$1,246,948	\$4,014	\$1,250,962	\$1,250,962	
Total all funds	\$1,174,822	\$1,246,948	\$4,014	\$1,250,962	\$1,250,962	\$0
Less estimated income	482,701	501,425	(18,724)	482,701	482,701	0
General fund	\$692,121	\$745,523	\$22,738	\$768,261	\$768,261	\$0
FTE	4.00	4.50	0.00	4.50	4.50	0.00

### Department 183 - Judicial Conduct Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Total Conference Committee Changes
Judicial Conduct Commission	\$4,014	\$4,014
Total all funds	\$4,014	\$4,014
Less estimated income	(18,724)	(18,724)
General fund	\$22,738	\$22,738
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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020. Funding is also adjusted to provide that the salary and benefit increases be provided from the general fund, the same as the Senate version.

### House Bill No. 1002 - Other Changes - Conference Committee Action

This amendment also:

- Adds a section to provide legislative intent that the judicial branch consider the relocation of current district court judge positions prior to submitting a future request for any additional district court judge positions, the same as the Senate version.
- Adds a new section to provide for the judicial branch to study the need for 1 FTE court reporter position for each district court judge, and to report its findings to the Budget Section.

Engrossed HB 1002 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**HB 1015, as engrossed:** Your conference committee (Sens. Wanzek, G. Lee, Mathern and Reps. J. Nelson, B. Anderson, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1734-1738, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1734-1738 of the House Journal and pages 1429-1433 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after the semicolon insert "to amend and reenact subsection 5 of section 12-47-36 of the North Dakota Century Code, relating to disclosure of confidential records;"

Page 1, line 3, remove "and"

Page 1, line 3, after "report" insert "to provide for a department of corrections and rehabilitation review committee; and to provide an exemption"

Page 1, replace lines 13 through 17 with:

"Adult services	\$220,757,448	\$18,590,187	\$239,347,635
Youth services	<u>30,740,509</u>	<u>1,545,821</u>	<u>32,286,330</u>
Total all funds	\$251,497,957	\$20,136,008	\$271,633,965
Less estimated income	<u>37,161,253</u>	<u>4,794,636</u>	<u>41,955,889</u>
Total general fund	\$214,336,704	\$15,341,372	\$229,678,076"

Page 2, replace lines 3 and 4 with:

"Youth correctional center campus infrastructure study	0	75,000
Department of corrections and rehabilitation study	0	400,000"

Page 2, replace lines 15 through 17 with:

"Total all funds	\$2,102,907	\$3,222,950
Less estimated income	<u>2,102,907</u>	<u>1,831,700</u>
Total general fund	\$0	\$1,391,250"

Page 2, line 23, replace "\$1,468,000" with "\$1,218,000"

Page 2, line 24, remove "campus infrastructure studies,"

Page 2, after line 26, insert:

**"SECTION 4. AMENDMENT.** Subsection 5 of section 12-47-36 of the North Dakota Century Code is amended and reenacted as follows:

5. Medical, psychological, or treatment records may be disclosed without prior application to the court to a public hospital or treatment facility, the department of human services, a community behavioral health program, a vocational rehabilitation program, a transitional living facility, or to a licensed private medical or treatment facility, when necessary for the evaluation, treatment, or care of a person who is or who has been in the custody of, or is or who has been under the supervision and management of, the adult services division of the department of corrections and rehabilitation.

**SECTION 5. PRETRIAL SERVICES - PILOT PROGRAM - REPORT.** The appropriation in section 1 of this Act includes \$755,034 and seven full-time equivalent positions for pretrial services. The department of corrections and rehabilitation shall establish a pretrial services program as a pilot project in three judicial districts of the state during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of corrections and rehabilitation and the judicial branch shall collaborate with each other and with the commission on legal counsel for indigents and county and regional corrections to develop guidelines and procedures for the administration of pretrial services for the district courts for individuals charged with felony and misdemeanor offenses. The department of corrections and rehabilitation and the judicial branch shall provide a report regarding the process and outcome measures of the pretrial services program together with recommendations to the sixty-seventh legislative assembly."

Page 3, line 1, after "program" insert "for individuals in custody or under the supervision of the department of corrections and rehabilitation or for the continuation of programming, when necessary, for individuals no longer in custody or under the supervision of the department,"

Page 3, line 15, remove "The provisions of chapters 48-01.1 and 54-44.7"

Page 3, remove line 16

Page 3, line 17, replace "services for construction and renovation" with "Sections 54-01-05.2 and 54-01-05.5"

Page 3, remove lines 18 through 31

Page 4, replace lines 1 through 11 with:

**"SECTION 9. LEGISLATIVE MANAGEMENT STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION REVIEW COMMITTEE - MEMBERSHIP - DUTIES.**

1. During the 2019-20 interim, the legislative management shall study the department of corrections and rehabilitation. The legislative management shall create a department of corrections and rehabilitation review committee to conduct the study, consisting of six members as follows:
  - a. Three members of the house of representatives selected by the majority leader of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and
  - b. Three members of the senate selected by the majority leader of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.
2. The legislative management chairman shall designate the committee chairman and vice chairman and the legislative council shall provide staff services for the committee.
3. The committee shall conduct a comprehensive study of the department of corrections and rehabilitation. The study must include:
  - a. A review, with input from a consultant engaged by the department of corrections and rehabilitation, of gender-responsive correctional and rehabilitation facility and service needs. The review must include:
    - (1) The preferable location of facilities;
    - (2) The service needs of individuals sentenced to the department of corrections and rehabilitation; and
    - (3) The impact on families of individuals sentenced to the department of corrections and rehabilitation.
  - b. An assessment of facilities at the Missouri River correctional center, the James River correctional center, and the state hospital, with input from a consultant engaged by the department of corrections and rehabilitation. The assessment must:
    - (1) Include the department of corrections and rehabilitation master plan, staffing plan, comprehensive service delivery strategy, and cost estimates;
    - (2) Be based on providing comprehensive services to those committed to the care, custody, and control of the department of corrections and rehabilitation;
    - (3) Include options for community-based and family-involved environments; and
    - (4) Consider the opportunity for vocational and workforce development.
  - c. A review of vocational opportunities, educational opportunities, workforce development, and medical and behavioral health treatment for those committed to the care, custody, and control of the department of corrections and rehabilitation.
4. The committee shall advise the department of corrections and rehabilitation on the department's selection of consultants to assist the

department and the committee in its study, for which \$400,000 is included in the appropriation from the general fund in section 1 of this Act.

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

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1015 - Department of Corrections and Rehab. - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Adult services	\$220,757,448	\$236,440,488	\$2,907,147	\$239,347,635	\$251,051,383	(\$11,703,748)
Youth services	30,740,509	32,095,945	190,385	32,286,330	32,286,330	
Total all funds	\$251,497,957	\$268,536,433	\$3,097,532	\$271,633,965	\$283,337,713	(\$11,703,748)
Less estimated income	37,161,253	42,139,308	(183,419)	41,955,889	45,200,190	(3,244,301)
General fund	\$214,336,704	\$226,397,125	\$3,280,951	\$229,678,076	\$238,137,523	(\$8,459,447)
FTE	845.29	899.79	0.00	899.79	933.59	(33.80)

#### Department 530 - Department of Corrections and Rehab. - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts Funding for Transitional Services <sup>2</sup>	Adjusts One-Time Funding for Infrastructure Studies <sup>3</sup>	Adds One-Time Funding for Consultants <sup>4</sup>	Total Conference Committee Changes
Adult services	\$1,082,780	\$1,599,367	(\$175,000)	\$400,000	\$2,907,147
Youth services	190,385				190,385
Total all funds	\$1,273,165	\$1,599,367	(\$175,000)	\$400,000	\$3,097,532
Less estimated income	66,581	0	(250,000)	0	(183,419)
General fund	\$1,206,584	\$1,599,367	\$75,000	\$400,000	\$3,280,951
FTE	0.00	0.00	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 same as the Senate version. The House provided funding for a 2 percent salary increase on July 1, 2019, and a 2 percent salary increase on July 1, 2020.

<sup>2</sup> Funding is adjusted for transitional services, including the addition of \$549,626 for the Bismarck Transition Center contract and the restoration of \$1,049,741 removed by the House. The Senate version also included this adjustment.

<sup>3</sup> One-time funding from the strategic investment and improvements fund for a campus infrastructure study of the James River Correctional Center and State Hospital is removed. The funding for the campus infrastructure study at the Youth Correctional Center is adjusted to provide funding from the general fund rather than the strategic investment and improvements fund. Both the House and Senate included funding from the strategic investment and improvements fund for the studies.

<sup>4</sup> One-time funding of \$400,000 from the general fund is added for the Department of Corrections and Rehabilitation to hire consultants, with advice from a newly created Legislative Management committee, to assist the department and the Legislative Management in a study of the Department of Corrections and Rehabilitation. Neither the House nor the Senate provided funding to assist with this study.

The Conference Committee did not include the following adjustments made by the Senate:

- The addition of 8.6 FTE Missouri River Correctional Center treatment positions and \$1.9 million from the general fund;

- The addition of 25.2 FTE James River Correctional Center minimum security positions and \$4.2 million from the general fund;
- The addition of \$2.4 million of one-time funding from the general fund for minimum security facilities at the James River Correctional Center;
- The addition of \$100,000 of one-time funding from the general fund for a study of gender-responsive services and facilities;
- The addition of \$1.9 million of one-time funding from the strategic investment and improvements fund for Missouri River Correctional Center renovations; and
- The addition of \$1.1 million of one-time funding from the Rough Rider Industries fund for construction of a Rough Rider Industries building at the James River Correctional Center.

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

This amendment also:

- Does not include a section added by the Senate to provide a 2017-19 biennium appropriation of \$3 million from the general fund to the Department of Corrections and Rehabilitation to enhance vocational and education opportunities for inmate workforce development.
- Adds a section to amend North Dakota Century Code Section 12-47-36(5) relating to disclosure of confidential records. The Senate also included this section.
- Does not include a section added by the Senate to provide for a Department of Corrections and Rehabilitation study of gender-responsive services and facilities.
- Does not include a section added by the Senate to provide legislative intent that the Governor determine the location of male and female inmates in consultation with the Department of Corrections and Rehabilitation and the Southwest Multi-County Correction Center.
- Does not include a section added by the Senate to provide legislative intent that a campus infrastructure study of the James River Correctional Center and the State Hospital consider the potential for placement of minimum security male inmates in current structures on the campus.
- Does not include a section added by the Senate to provide legislative intent that no fence be placed around facilities used for minimum security male inmates.
- Adds a section to provide for the establishment of a pretrial services pilot project. The Senate included a similar section.
- Adjusts the section providing carryover authority relating to the free through recovery program to allow the funding to be used for the continuation of programming for individuals no longer in the custody or under the supervision of the Department of Corrections and Rehabilitation. The Senate also included this adjustment.
- Does not include a section added by the Senate to allow for the conveyance of the 12 West and 16 West buildings from the State Hospital to the Department of Corrections and Rehabilitation for use as a minimum security facility.
- Adds a section to create a Department of Corrections and Rehabilitation review committee to study the department during the 2019-20 interim.

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

#### REPORT OF CONFERENCE COMMITTEE

**HB 1020, as engrossed:** Your conference committee (Sens. Erbele, Wanzek, Robinson and Reps. Monson, Nathe, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1558-1563, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1558-1563 of the House Journal and pages 1325-1331 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 3, after "farm" insert "; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency"

Page 1, replace lines 19 through 24 with:

"Extension service	\$51,188,489	\$3,207,816	\$54,396,305
Soil conservation committee	<u>1,091,520</u>	<u>0</u>	<u>1,091,520</u>
Total all funds	\$52,280,009	\$3,207,816	\$55,487,825
Less estimated income	<u>26,646,689</u>	<u>1,131,470</u>	<u>27,778,159</u>
Total general fund	\$25,633,320	\$2,076,346	\$27,709,666
Full-time equivalent positions	252.98	(10.47)	242.51"

Page 2, replace lines 5 through 9 with:

"Northern crops institute	<u>\$3,642,721</u>	<u>\$197,306</u>	<u>\$3,840,027</u>
Total all funds	\$3,642,721	\$197,306	\$3,840,027
Less estimated income	<u>1,755,830</u>	<u>140,387</u>	<u>1,896,217</u>
Total general fund	\$1,886,891	\$56,919	\$1,943,810
Full-time equivalent positions	11.80	1.00	12.80"

Page 2, replace lines 14 through 19 with:

"Upper great plains transportation institute	<u>\$22,060,242</u>	<u>\$1,231,981</u>	<u>\$23,292,223</u>
Total all funds	\$22,060,242	\$1,231,981	\$23,292,223
Less estimated income	<u>18,617,068</u>	<u>278,826</u>	<u>18,895,894</u>
Total general fund	\$3,443,174	\$953,155	\$4,396,329
Full-time equivalent positions	43.88	0.00	43.88"

Page 2, replace lines 24 through 28 with:

"Main research center	<u>\$108,642,243</u>	<u>\$2,718,323</u>	<u>\$111,360,566</u>
Total all funds	\$108,642,243	\$2,718,323	\$111,360,566
Less estimated income	<u>59,084,828</u>	<u>(1,141,588)</u>	<u>57,943,240</u>
Total general fund	\$49,557,415	\$3,859,911	\$53,417,326
Full-time equivalent positions	336.12	7.93	344.05"

Page 3, replace lines 3 through 13 with:

"Dickinson research center	\$6,825,551	\$190,311	\$7,015,862
Central grasslands research center	3,423,624	87,201	3,510,825
Hettinger research center	4,975,133	137,270	5,112,403
Langdon research center	2,964,607	87,453	3,052,060
North central research center	4,953,652	183,918	5,137,570
Williston research center	5,118,890	167,943	5,286,833
Carrington research center	<u>9,175,491</u>	<u>510,370</u>	<u>9,685,861</u>
Total all funds	\$37,436,948	\$1,364,466	\$38,801,414
Less estimated income	<u>20,281,691</u>	<u>318,697</u>	<u>20,600,388</u>
Total general fund	\$17,155,257	\$1,045,769	\$18,201,026
Full-time equivalent positions	110.29	(0.48)	109.81"

Page 3, replace lines 18 through 20 with:

"Agronomy seed farm	<u>\$1,536,129</u>	<u>\$29,846</u>	<u>\$1,565,975</u>
Total special funds	\$1,536,129	\$29,846	\$1,565,975
Full-time equivalent positions	3.00	0.00	3.00"

Page 3, replace lines 25 through 27 with:

"Grand total general fund	\$97,676,057	\$7,992,100	\$105,668,157
Grand total other funds	<u>127,922,235</u>	<u>757,638</u>	<u>128,679,873</u>
Grand total all funds	\$225,598,292	\$8,749,738	\$234,348,030"

Page 3, line 28, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 4, replace lines 2 through 8 with:

"Seed cleaning plants	\$1,500,000	\$750,000
Extraordinary repairs	0	940,465
Junior master gardener program	15,000	0
Road and bridge asset management system	300,000	0
Greenhouse	0	500,000
Total all funds	\$1,815,000	\$2,190,465
Total other funds	<u>1,700,000</u>	<u>1,440,465</u>
Total general fund	\$115,000	\$750,000"

Page 4, line 23, replace "\$1,440,465" with "\$940,465"

Page 5, after line 24, insert:

**"SECTION 11. EXEMPTION - CARRINGTON RESEARCH CENTER AND NORTH CENTRAL RESEARCH CENTER.** Any amounts continued for seed cleaning plants at the Carrington research center and North Central research center pursuant to section 12 of chapter 45 of the 2017 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds may be used to defray the expenses of seed cleaning plants at the Carrington research center and the North Central research center during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 12. LEGISLATIVE INTENT - WILLISTON RESEARCH CENTER GREENHOUSE.** It is the intent of the sixty-sixth legislative assembly that any future operations and maintenance expenses relating to the Williston research center greenhouse be paid from other funds.

**SECTION 13. APPROPRIATION - 2017-19 BIENNIUM - WEBSITE AND DIGITAL UPGRADES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$345,000, or so much of the sum as may be necessary, to the North Dakota state university extension service for website and digital upgrades, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 11 of chapter 45 of the 2017 Session Laws any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 14. EMERGENCY.** Section 13 of this Act is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1020 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Transportation Institute						
Total all funds	\$22,060,242	\$22,837,729	\$454,494	\$23,292,223	\$23,392,223	(\$100,000)
Less estimated income	18,617,068	18,874,323	21,571	18,895,894	18,895,894	0
General fund	<u>\$3,443,174</u>	<u>\$3,963,406</u>	<u>\$432,923</u>	<u>\$4,396,329</u>	<u>\$4,496,329</u>	<u>(\$100,000)</u>
FTE	43.88	43.88	0.00	43.88	43.88	0.00
Branch Research Centers						
Total all funds	\$37,436,948	\$37,336,491	\$1,464,923	\$38,801,414	\$38,676,414	\$125,000
Less estimated income	20,281,691	20,741,029	(140,641)	20,600,388	20,600,388	0
General fund	<u>\$17,155,257</u>	<u>\$16,595,462</u>	<u>\$1,605,564</u>	<u>\$18,201,026</u>	<u>\$18,076,026</u>	<u>\$125,000</u>
FTE	110.29	109.81	0.00	109.81	109.81	0.00
NDSU Extension Service						
Total all funds	\$52,280,009	\$54,447,194	\$1,040,631	\$55,487,825	\$56,079,105	(\$591,280)
Less estimated income	26,646,689	27,628,956	149,203	27,778,159	27,778,159	0
General fund	<u>\$25,633,320</u>	<u>\$26,818,238</u>	<u>\$891,428</u>	<u>\$27,709,666</u>	<u>\$28,300,946</u>	<u>(\$591,280)</u>
FTE	252.98	242.51	0.00	242.51	242.51	0.00
Northern Crops Institute						
Total all funds	\$3,642,721	\$3,829,147	\$10,880	\$3,840,027	\$3,840,027	\$0
Less estimated income	1,755,830	1,892,840	3,377	1,896,217	1,896,217	0



General fund	\$1,886,891	\$1,936,307	\$7,503	\$1,943,810	\$1,943,810	\$0
FTE	11.80	12.80	0.00	12.80	12.80	0.00
Main Research Center						
Total all funds	\$108,642,243	\$107,866,866	\$3,493,700	\$111,360,566	\$112,460,566	(\$1,100,000)
Less estimated income	59,084,828	59,242,367	(1,299,127)	57,943,240	58,443,240	(500,000)
General fund	\$49,557,415	\$48,624,499	\$4,792,827	\$53,417,326	\$54,017,326	(\$600,000)
FTE	336.12	340.05	4.00	344.05	344.05	0.00
Agronomy Seed Farm						
Total all funds	\$1,536,129	\$1,562,334	\$3,641	\$1,565,975	\$1,565,975	\$0
Less estimated income	1,536,129	1,562,334	3,641	1,565,975	1,565,975	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	3.00	3.00	0.00	3.00	3.00	0.00
Bill total						
Total all funds	\$225,598,292	\$227,879,761	\$6,468,269	\$234,348,030	\$236,014,310	(\$1,666,280)
Less estimated income	127,922,235	129,941,849	(1,261,976)	128,679,873	129,179,873	(500,000)
General fund	\$97,676,057	\$97,937,912	\$7,730,245	\$105,668,157	\$106,834,437	(\$1,166,280)
FTE	758.07	752.05	4.00	756.05	756.05	0.00

**House Bill No. 1020 - Transportation Institute - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Upper Great Plains Trans. Institute	\$22,060,242	\$22,837,729	\$454,494	\$23,292,223	\$23,392,223	(\$100,000)
Total all funds	\$22,060,242	\$22,837,729	\$454,494	\$23,292,223	\$23,392,223	(\$100,000)
Less estimated income	18,617,068	18,874,323	21,571	18,895,894	18,895,894	0
General fund	\$3,443,174	\$3,963,406	\$432,923	\$4,396,329	\$4,496,329	(\$100,000)
FTE	43.88	43.88	0.00	43.88	43.88	0.00

**Department 627 - Transportation Institute - Detail of Conference Committee Changes**

	Adds Funding for Salary Increases <sup>1</sup>	Adds Funding for a Road and Bridge Study <sup>2</sup>	Total Conference Committee Changes
Upper Great Plains Trans. Institute	\$29,494	\$425,000	\$454,494
Total all funds	\$29,494	\$425,000	\$454,494
Less estimated income	21,571	0	21,571
General fund	\$7,923	\$425,000	\$432,923
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Ongoing funding of \$425,000 from the general fund is added to continue the road and bridge study, for a total of \$875,000. The Senate provided \$975,000 and the House provided \$450,000 from the general fund for the study.

## House Bill No. 1020 - Branch Research Centers - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Dickinson Research Center	\$6,825,551	\$6,673,082	\$342,780	\$7,015,862	\$6,953,362	\$62,500
Central Grasslands Research Center	3,423,624	3,366,743	144,082	3,510,825	3,510,825	
Hettinger Research Center	4,975,133	4,952,233	160,170	5,112,403	5,112,403	
Langdon Research Center	2,964,607	2,947,911	104,149	3,052,060	3,052,060	
North Central Research Center	4,953,652	4,953,966	183,604	5,137,570	5,075,070	62,500
Williston Research Center	5,118,890	5,068,765	218,068	5,286,833	5,286,833	
Carrington Research Center	9,175,491	9,373,791	312,070	9,685,861	9,685,861	
Total all funds	\$37,436,948	\$37,336,491	\$1,464,923	\$38,801,414	\$38,676,414	\$125,000
Less estimated income	20,281,691	20,741,029	(140,641)	20,600,388	20,600,388	0
General fund	\$17,155,257	\$16,595,462	\$1,605,564	\$18,201,026	\$18,076,026	\$125,000
FTE	110.29	109.81	0.00	109.81	109.81	0.00

## Department 628 - Branch Research Centers - Detail of Conference Committee Changes

	Adds Funding for Salary Increases <sup>1</sup>	Adds Funding for Salaries <sup>2</sup>	Adds Funding for Operating Expenses <sup>3</sup>	Adds Funding for Oakes Irrigation Site <sup>4</sup>	Total Conference Committee Changes
Dickinson Research Center	\$16,894	\$62,500	\$263,386		\$342,780
Central Grasslands Research Center	13,113		130,969		144,082
Hettinger Research Center	18,420		141,750		160,170
Langdon Research Center	10,698		93,451		104,149
North Central Research Center	17,788	62,500	103,316		183,604
Williston Research Center	19,337		198,731		218,068
Carrington Research Center	43,113		268,957		312,070
Total all funds	\$139,363	\$125,000	\$1,200,560	\$0	\$1,464,923
Less estimated income	59,359	0	0	(200,000)	(140,641)
General fund	\$80,004	\$125,000	\$1,200,560	\$200,000	\$1,605,564
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding of \$125,000 from the general fund is added for salaries, including \$62,500 each for the Dickinson Research Center and the North Central Research Center. Neither the Senate nor the House provided this funding.

<sup>3</sup> Funding of \$1,200,560 from the general fund reduced by the House for operating expenses is restored, the same as the Senate version.

<sup>4</sup> The funding source for \$200,000 added to the Carrington Research Center for the Oakes irrigation site is changed from other funds as added by the House to the general fund, the same as the Senate version.

## House Bill No. 1020 - NDSU Extension Service - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Extension Service	\$51,188,489	\$53,355,674	\$1,040,631	\$54,396,305	\$54,866,305	(\$470,000)
Soil Conservation Committee	1,091,520	1,091,520		1,091,520	1,212,800	(121,280)
Total all funds	\$52,280,009	\$54,447,194	\$1,040,631	\$55,487,825	\$56,079,105	(\$591,280)
Less estimated income	26,646,689	27,628,956	149,203	27,778,159	27,778,159	0
General fund	\$25,633,320	\$26,818,238	\$891,428	\$27,709,666	\$28,300,946	(\$591,280)
FTE	252.98	242.51	0.00	242.51	242.51	0.00

**Department 630 - NDSU Extension Service - Detail of Conference Committee Changes**

	Adds Funding for Salary Increases <sup>1</sup>	Reduces Funding for Salaries <sup>2</sup>	Adds Funding for Extension Agent Funding <sup>3</sup>	Total Conference Committee Changes
Extension Service	\$295,631	(\$125,000)	\$870,000	\$1,040,631
Soil Conservation Committee				
Total all funds	\$295,631	(\$125,000)	\$870,000	\$1,040,631
Less estimated income	149,203	0	0	149,203
General fund	\$146,428	(\$125,000)	\$870,000	\$891,428
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding for salaries and wages is reduced by \$125,000 from the general fund. Neither the House nor the Senate made this reduction.

<sup>3</sup> Funding of \$870,000 from the general fund is added for providing additional state funding for the cost of county extension agents, the same as the Senate version. The House did not add funding for county extension agent funding.

This amendment:

- Does not include \$121,280 from the general fund added by the Senate for soil conservation grants.
- Provides a 2017-19 biennium appropriation of \$345,000 from the general fund for NDSU Extension Service website and digital upgrades. The Senate provided the funding from the 2019-21 biennium and the House did not provide funding for website and digital upgrades.

**House Bill No. 1020 - Northern Crops Institute - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Northern Crops Institute	\$3,642,721	\$3,829,147	\$10,880	\$3,840,027	\$3,840,027	
Total all funds	\$3,642,721	\$3,829,147	\$10,880	\$3,840,027	\$3,840,027	\$0
Less estimated income	1,755,830	1,892,840	3,377	1,896,217	1,896,217	0
General fund	\$1,886,891	\$1,936,307	\$7,503	\$1,943,810	\$1,943,810	\$0
FTE	11.80	12.80	0.00	12.80	12.80	0.00

**Department 638 - Northern Crops Institute - Detail of Conference Committee Changes**

	Adds Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Northern Crops Institute	\$10,880	\$10,880
Total all funds	\$10,880	\$10,880
Less estimated income	3,377	3,377
General fund	\$7,503	\$7,503
FTE	0.00	0.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

**House Bill No. 1020 - Main Research Center - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Main Research Center	\$108,642,243	\$107,866,866	\$3,493,700	\$111,360,566	\$112,460,566	(\$1,100,000)
Total all funds	\$108,642,243	\$107,866,866	\$3,493,700	\$111,360,566	\$112,460,566	(\$1,100,000)
Less estimated income	59,084,828	59,242,367	(1,299,127)	57,943,240	58,443,240	(500,000)
General fund	\$49,557,415	\$48,624,499	\$4,792,827	\$53,417,326	\$54,017,326	(\$600,000)
FTE	336.12	340.05	4.00	344.05	344.05	0.00

**Department 640 - Main Research Center - Detail of Conference Committee Changes**

	Adds Funding for Salary Increases <sup>1</sup>	Adds FTE Positions for Agribiome Initiative <sup>2</sup>	Adjusts Funding for Miscellaneous Expenses <sup>3</sup>	Adjusts One-Time Funding for Williston Seed Cleaning Plant <sup>4</sup>	Adds One-Time Funding for a Williston Greenhouse <sup>5</sup>	Reduces Funding for Extraordinary Repairs <sup>6</sup>
Main Research Center	\$377,958	\$1,160,000	\$1,955,742		\$500,000	(\$500,000)
Total all funds	\$377,958	\$1,160,000	\$1,955,742	\$0	\$500,000	(\$500,000)
Less estimated income	200,873	0	(1,000,000)	(500,000)	500,000	(500,000)
General fund	\$177,085	\$1,160,000	\$2,955,742	\$500,000	\$0	\$0
FTE	0.00	4.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Main Research Center	\$3,493,700
Total all funds	\$3,493,700
Less estimated income	(1,299,127)
General fund	\$4,792,827
FTE	4.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> The following FTE positions and related funding are added for the agribiome initiative, the same as the Senate version:

	FTE Positions	General Fund
Scientist and technician	2.0	\$580,000
Scientist and technician	2.0	580,000
Total	4.0	\$1,160,000

<sup>3</sup> Funding is adjusted for miscellaneous expenses by adding \$2,955,742 from the general fund and reducing \$1,000,000 of other funds, the same as the Senate version. The House reduced funding for miscellaneous expenses by \$2,955,742 from the general fund but increased funding by \$3,000,000 of other funds.

<sup>4</sup> One-time funding of \$500,000 from the general fund is added to the \$250,000 of one-time funding from the general fund added by the House for the Williston Research Center seed cleaning plant, for a total of \$750,000 from the general fund, the same as the Senate version. The \$500,000 of other funds added by the House for the seed cleaning plant is not included.

<sup>5</sup> One-time funding of \$500,000 of other funds is added for a Williston Research Center greenhouse, the same as the Senate version. The House did not add funding for a Williston greenhouse.

<sup>6</sup> Funding for extraordinary repairs is reduced by \$500,000, to provide a total of \$940,465 from the strategic investment and improvements fund for extraordinary repairs. The House and Senate both provided \$1,440,465 from the strategic investment and improvements fund for extraordinary repairs.

This amendment:

- Does not include \$600,000 of one-time funding from the general fund added by the Senate for equipment storage sheds.
- Includes a section added by the Senate to allow funds appropriated for the 2015-17 biennium for seed cleaning plants at the Carrington Research Center and the North Central Research Center to be continued and spent during the 2019-21 biennium.
- Adds a new section to provide legislative intent that maintenance and operating costs relating to the Williston Research Center greenhouse be paid from other funds.

#### House Bill No. 1020 - Agronomy Seed Farm - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Agronomy Seed Farm	\$1,536,129	\$1,562,334	\$3,641	\$1,565,975	\$1,565,975	
Total all funds	\$1,536,129	\$1,562,334	\$3,641	\$1,565,975	\$1,565,975	\$0
Less estimated income	1,536,129	1,562,334	3,641	1,565,975	1,565,975	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	3.00	3.00	0.00	3.00	3.00	0.00

#### Department 649 - Agronomy Seed Farm - Detail of Conference Committee Changes

	Adds Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Agronomy Seed Farm	\$3,641	\$3,641
Total all funds	\$3,641	\$3,641
Less estimated income	3,641	3,641
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding is added to provide for state 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 same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1286, as engrossed:** Your conference committee (Sens. D. Larson, Dwyer, Bakke and Reps. K. Koppelman, Jones, Satrom) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1419, adopt amendments as follows, and place HB 1286 on the Seventh order:

That the Senate recede from its amendments as printed on page 1419 and pages 1659 and 1660 of the House Journal and pages 1172 and 1173 and page 1185 of the Senate Journal and that Engrossed House Bill No. 1286 be amended as follows:

Page 1, line 3, after the second comma insert "and"

Page 1, line 3, remove ", 29-27-02.1, and subsection 1 of"

Page 1, line 4, remove "section 54-12-14"

Page 1, line 5, remove ", disposition of statutory fees,"

Page 1, line 6, remove "fines, forfeitures, and the attorney general assets forfeiture fund"

Page 1, line 17, remove the third "or"

Page 1, line 18, after the first "property" insert ". or it can be established beyond a reasonable doubt the property was used in the commission of a crime or constituted the proceeds of criminal activity"

Page 2, line 6, remove "clear and convincing"

Page 2, line 7, remove "evidence"

Page 2, line 7, overstrike "for instituting the forfeiture action following which" and insert immediately thereafter "the property meets the requirements of subsection 2 of section 19-03.1-36.2. Following the state's case."

Page 2, line 15, remove "order the proper costs and"

Page 2, remove lines 16 and 17

Page 2, line 18, replace "remaining proceeds to be deposited as provided in subsection 2 of section 29-27-02.1" with "order only the forfeited property or proceeds from the sale of forfeited property to be deposited with a political subdivision if the political subdivision has created a civil asset forfeiture fund. If the political subdivision does not have a civil asset forfeiture fund, any forfeited property and proceeds from the sale of forfeited property must be deposited in the attorney general's asset forfeiture fund."

3. A political subdivision that has a civil asset forfeiture fund shall establish an application process, including eligibility criteria, to accept and process applications from law enforcement agencies within the political subdivision's jurisdiction for an appropriation from the civil asset forfeiture fund.
4. This section does not prohibit the state and a political subdivision from entering an agreement to divide forfeited property and the proceeds from the sale of forfeited property"

Page 3, line 3, remove "Currency with the value of seven hundred and fifty United States dollars or less"

Page 3, remove line 4

Page 3, line 5, remove "c."

Page 3, line 6, replace "d." with "c."

Page 3, line 6, replace "determine" with "consider all factors, including"

Page 3, line 9, remove "sentence imposed for committing the offense"

Page 3, line 10, replace "subject to forfeiture" with "possible penalty that could be imposed for the alleged or committed offense subject to forfeiture"

Page 3, line 11, replace "e." with "d."

Page 3, line 19, after "forfeiture" insert "of property or to collaborate with a federal agency under federal law to conduct or engage in seizure and forfeiture of property. The term includes a multijurisdictional task force"

Page 3, line 20, remove "Annually, each law enforcement agency shall compile the following information"

Page 3, remove lines 21 through 27 with "Every civil forfeiture judgment issued by a district court must be made publicly available and include the following information in the findings of fact:

- a. Case number of the forfeiture proceeding and the district court where the case was filed.

- b. Who filed a claim or counterclaim for the seized property, if any.
- c. Date the forfeiture order was issued.
- d. Whether a forfeiture settlement agreement was reached.
- e. The date and the final disposition of the property.
- f. Estimated value of the forfeited property.
- g. Estimate of the total costs accrued by the law enforcement agency for storage and disposal of the civilly forfeited property.
- h. Amount of any attorney fees awarded to owners of seized and forfeited property."

Page 3, line 28, after "3." insert "Annually, a prosecutor who litigates the criminal case and forfeiture proceeding shall provide to the attorney general a copy of the judgment that includes the information required under subsection 2 and the total value of the forfeited property held by the agency at the end of the reporting period.

- 4. By November first of each year, the attorney general shall submit to the legislative management and the governor a written report summarizing activity in the state for the preceding fiscal year, the type, approximate value, and disposition of any civilly forfeited property, and the amount of proceeds received.
  - a. Summary data and civilly forfeited property must be disaggregated by agency.
  - b. The attorney general shall make the report available on the attorney general's website.
- 5. The attorney general may recover any costs under this section by withdrawing money from the asset forfeiture fund.
- 6. A law enforcement agency may use forfeiture proceeds to pay the costs of compiling and reporting data under this section.
- 7. The data and reports compiled under this section are public information and not exempt from disclosure.
- 8. "

page 3, line 30, remove "electronic data entry for"

Page 4, remove lines 1 through 6

page 4, line 7, replace the "5." with "9."

Page 4, remove lines 10 through 31

Page 5, remove lines 1 through 29

Renumber accordingly

Engrossed HB 1286 was placed on the Seventh order of business on the calendar.

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

**HB 1333, as engrossed:** Your conference committee (Sens. Kreun, J. Roers, Sorvaag and Reps. Lefor, Keiser, P. Anderson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1525-1527, adopt amendments as follows, and place HB 1333 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1525-1527 of the House

Journal and pages 1288-1290 of the Senate Journal and that Engrossed House Bill No. 1333 be amended as follows:

Page 1, line 3, remove "to provide an exemption;"

Page 1, line 10, after the underscored period insert: "Commissioner" means the commissioner of the department of commerce.

2."

Page 1, line 12, replace "2." with "3."

Page 2, line 1, replace "president of the Bank of North Dakota" with "commissioner"

Page 2, line 1, replace "president's" with "commissioner's"

Page 2, line 5, remove ", who must be appointed by the president of the Bank of North"

Page 2, line 6, remove "Dakota"

Page 2, line 7, remove ", who"

Page 2, line 8, remove "must be appointed by the president of the Bank of North Dakota"

Page 2, line 10, remove ", who must be appointed by the commissioner of the department of"

Page 2, line 11, remove "commerce"

Page 2, line 12, after the underscored period insert "The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee."

Page 2, remove line 14

Page 2, line 15, replace "appointed by the commissioner of the department of commerce expire" with "under subdivisions b and c of subsection 1 expires"

Page 2, line 15, after "year" insert ", and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year"

Page 2, line 17, replace "appointing entity" with "commissioner"

Page 2, line 20, remove "The committee shall select a vice chairperson."

Page 2, line 20, after "member" insert "appointed under subdivision b of subsection 1"

Page 2, line 21, replace "qualify as a member of the appointing entity" with "represent an active venture capital firm, private entity, or angel capital fund"

Page 2, line 22, replace "appointing entity" with "commissioner, in consultation with the president of the Bank of North Dakota."

Page 3, line 3, replace "Bank of North Dakota" with "department of commerce"

Page 3, line 3, after "program" insert "in consultation with the Bank of North Dakota"

Page 3, line 4, replace "Bank" with "department of commerce"

Page 3, line 8, after the underscored period insert "Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy innovation technology loan."



Page 3, line 24, replace "all" with "the business plan, financial statements, and other information necessary for the Bank to determine which"

Page 3, line 25, after "committee" insert "will be approved by the Bank"

Page 3, after line 29, insert:

"4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank."

Page 4, line 3, replace "Bank of North Dakota" with "department of commerce"

Page 4, line 4, replace "Bank" with "department of commerce"

Page 4, line 5, replace "Bank" with "department of commerce"

Page 4, line 19, remove the boldfaced dash

Page 4, line 20, remove "Exemption"

Page 4, line 21, remove "1."

Page 4, line 21, remove "Bank of"

Page 4, line 22, replace "North Dakota" with "department of commerce"

Page 4, line 24, replace "a." with "1."

Page 4, line 28, replace "b." with "2."

Page 4, line 30, replace "c." with "3."

Page 5, remove lines 1 and 2

Page 5, line 5, replace "\$3,000,000" with "\$15,000,000"

Renumber accordingly

Engrossed HB 1333 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOGUE MOVED** that the Senate do concur in the House amendments to Reengrossed SB 2148, which motion prevailed on a voice vote.

Reengrossed SB 2148, as amended, was placed on the Eleventh order of business.

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

**SB 2148:** A BILL for an Act to provide for a legislative management study regarding article XIV of the Constitution of North Dakota and related issues.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 5 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Larsen, O.; Luick; Myrdal; Roers, J.; Vedaa

Reengrossed SB 2148 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-18-10, and 15.1-21-02.6 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, teaching licenses, and the North Dakota scholarship; to provide for a report to the legislative assembly; to provide for a legislative management study; to provide exemptions; and to declare an emergency.

**ROLL CALL**

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

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

Reengrossed SB 2013 passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed SB 2009 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2009, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2009:** A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide for transfers; to create and enact a new section to chapter 60-01, a new section to chapter 60-02, and a new section to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner and records confidentiality for warehousemen and grain buyers; to amend and reenact sections 4.1-01-02 and 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 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide for a report to the legislative assembly; to provide a penalty; and to provide a continuing appropriation.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll

was called and there were 34 YEAS, 13 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bakke; Bekkedahl; Burckhard; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Grabinger; Heckaman; Holmberg; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Lemm; Marcellais; Mathern; Myrdal; Oban; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**NAYS:** Anderson; Clemens; Cook; Fors; Hogan; Hogue; Kannianen; Larsen, O.; Luick; Meyer; Oehlke; Patten; Piepkorn

Reengrossed SB 2009 passed.

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

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

Engrossed HB 1015, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

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

#### **ROLL CALL**

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

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

**NAYS:** Fors; Grabinger; Hogue

Engrossed HB 1015, as amended, passed.

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

**SEN. D. LARSON MOVED** that the conference committee report on Engrossed HB 1286 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1286, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1286:** A BILL for an Act to create and enact section 19-03.1-36.8 of the North Dakota Century Code, relating to law enforcement agencies reporting seizures and forfeitures; and to amend and reenact sections 19-03.1-36.2, 19-03.1-36.6, and 19-03.1-36.7 of the North Dakota Century Code, relating to forfeiture proceedings, contested forfeiture hearings, legal interests in forfeited property.

#### **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, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; 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; Unruh; Wanzek; Wardner

**NAYS:** Anderson; Fors; Sorvaag; Vedaa

Engrossed HB 1286, as amended, passed.

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

**SEN. ERBELE MOVED** that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1020:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency.

#### **ROLL CALL**

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

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

Engrossed HB 1020, as amended, passed and the emergency clause was declared carried.

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

**SEN. KREUN MOVED** that the conference committee report on Engrossed HB 1333 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1333, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1333:** A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to the creation of an innovation loan fund to support technology advancement committee and loan program; to provide a continuing appropriation; and to provide for a transfer.

#### **ROLL CALL**

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

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

Engrossed HB 1333, as amended, passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOGUE MOVED** that the conference committee report on Engrossed HB 1002 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1002, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; to amend and reenact sections 27-02-02, 27-02.1-01, 27-02.1-02, 27-02.1-03, 27-02.1-04, 27-02.1-05, 27-02.1-06, 27-02.1-07, 27-02.1-08, 27-02.1-09, and 27-05-03 of the North Dakota Century Code, relating to salaries of justices of the supreme court, the temporary court of appeals, and salaries of district judges; to provide for a report; to provide for a transfer; to provide a statement of legislative intent; to provide for a study; and to declare an emergency.

**ROLL CALL**

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

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

Engrossed HB 1002, as amended, passed and the emergency clause was declared carried.

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**MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 4:30 p.m., which motion prevailed.

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

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2042.

**HOUSE AMENDMENTS TO SENATE BILL NO. 2042**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of developing a uniform county system of accounting."

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNIFORM COUNTY SYSTEM OF ACCOUNTING.** During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing standard procedures and classification of accounts to provide a means of accumulating financial information that is uniform for all counties, regardless of the county's size or various approaches to budgeting and accounting which may be in use, with the objective of achieving uniformity of financial information to guide preparation of financial reports required by law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2009.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1015, HB 1286, HB 1333.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2013.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1002, HB 1020.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2315.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2008.

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

**MR. SPEAKER:** The President has signed: SB 2008.

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

**MR. SPEAKER:** The President has signed: HB 1521.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1521.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 26, 2019: SB 2008.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. COOK MOVED** that the Senate do concur in the House amendments to SB 2042, which motion prevailed on a voice vote.

SB 2042, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2042:** A BILL for an Act to provide for a legislative management study of developing a uniform county system of accounting.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 37 YEAS, 9 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Bakke; Bekkedahl; Cook; Davison; Dever; Dotzenrod; Dwyer; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Marcellais; Mathern; Meyer; Oban; Oehlke; Patten; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Burckhard; Clemens; Elkin; Klein; Larsen, O.; Lemm; Luick; Piepkorn; Vedaa

**ABSENT AND NOT VOTING:** Myrdal

Engrossed SB 2042 passed.

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**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 1050.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1018.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1050:** Your conference committee (Sens. D. Larson, Myrdal, Bakke and Reps. K. Koppelman, Karls, Satrom) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1487-1489, adopt amendments as follows, and place HB 1050 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1487-1489 of the House Journal and pages 1252 and 1253 of the Senate Journal and that House Bill No. 1050 be amended as follows:

Page 1, line 1, replace "section" with "subsection 7 of section 12.1-32-01, section 19-03.1-22.3, subdivision d of subsection 8 of section 19-03.1-23, section"

Page 1, line 1, after "19-03.4-03" insert ", and subdivision i of subsection 5 of section 39-08-01"

Page 1, line 2, after "to" insert "multiple convictions of the same infraction, the possession and ingestion of marijuana, the possession of drug paraphernalia and"

Page 1, line 3, after "rehabilitation" insert "; to provide for a legislative management study"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Subsection 7 of section 12.1-32-01 of the North Dakota Century Code is amended and reenacted as follows:

7. Infraction, for which a maximum fine of one thousand dollars may be imposed. Any person convicted of an infraction who ~~has~~, within one year ~~prior to before~~ commission of the infraction of which the person was convicted, ~~has~~ been previously convicted ~~previously at least twice of~~ ~~an the same~~ offense classified as an infraction may be sentenced as though convicted of a class B misdemeanor. If the prosecution contends that the infraction is punishable as a class B misdemeanor, the complaint ~~shall must~~ specify ~~that the offense is a misdemeanor.~~

**SECTION 2. AMENDMENT.** Section 19-03.1-22.3 of the North Dakota Century Code is amended and reenacted as follows:

**19-03.1-22.3. Ingesting a controlled substance - Venue for violation - Penalty.**

A

1. Except as provided in subsection 2, a person who intentionally ingests, inhales, injects, or otherwise takes into the body a controlled substance, unless the substance was obtained directly from a practitioner or pursuant to a valid prescription or order of a practitioner while acting in the course of the practitioner's professional practice, is guilty of a class B- misdemeanor if the controlled substance is marijuana. Otherwise, the offense is a class A misdemeanor. This subsection does not apply to ingesting, inhaling, injecting, or otherwise taking into the body marijuana.
2. A person who is under twenty-one years of age and intentionally ingests, inhales, injects, or otherwise takes into the body a controlled substance

that is marijuana, unless the substance was medical marijuana obtained in accordance with chapter 19-24.1, is guilty of a class B misdemeanor.

3. The venue for a violation of this section exists in either the jurisdiction in which the controlled substance was ingested, inhaled, injected, or otherwise taken into the body or the jurisdiction in which the controlled substance was detected in the body of the accused.

**SECTION 3. AMENDMENT.** Subdivision d of subsection 8 of section 19-03.1-23 of the North Dakota Century Code is amended and reenacted as follows:

- d. A person who violates this subsection ~~regarding possession by~~ possessing:
- (1) Marijuana in an amount of less than one-half ounce [14.175 grams] is guilty of an infraction.
  - (2) At least one-half ounce [14.175 grams] but not more than 500 grams of marijuana is guilty of a class B misdemeanor.
  - (3) More than 500 grams of marijuana is guilty of a class A misdemeanor."

Page 2, line 1, overstrike ", store, contain, or conceal"

Page 2, line 5, after "marijuana" insert "or possess with the intent to use drug paraphernalia to store or contain marijuana"

Page 2, line 6, overstrike "a class B misdemeanor" and insert immediately thereafter "an infraction"

Page 2, line 12, replace "shall" with "may"

Page 2, after line 18, insert:

**"SECTION 5. AMENDMENT.** Subdivision i of subsection 5 of section 39-08-01 of the North Dakota Century Code is amended and reenacted as follows:

- i. If the court sentences an individual to the legal and physical custody of the department of corrections and rehabilitation, the department may place the individual in an alcohol treatment program designated by the department. Upon the individual's successful completion of the alcohol treatment program, the department shall release the individual from imprisonment to begin the court-ordered period of probation. If there is not any court-ordered period of probation, the court ~~shall~~may order the individual to serve the remainder of the sentence of imprisonment on supervised probation and the terms and conditions must include participation in the twenty-four seven sobriety program and any terms and conditions of probation previously imposed by the court. Probation under this subsection may include placement in another facility or treatment program. If an individual is placed in another facility or treatment program after release from imprisonment, the remainder of the individual's sentence of imprisonment must be considered time spent in custody. Individuals incarcerated under this section subsequent to a second probation revocation are not eligible for release from imprisonment upon the successful completion of treatment.

**SECTION 6. LEGISLATIVE MANAGEMENT STUDY - RECREATIONAL MARIJUANA.** During the 2019-20 interim, the legislative management shall consider studying the implications of the potential adoption of an initiated measure allowing the use of recreational marijuana. The study must consider the potential benefits and detriments of legalizing recreational marijuana with respect to:



1. The state's economy, including unemployment and homelessness rates; potential tax revenues and job opportunities; spending on public health and safety programs, including law enforcement agencies and drug treatment programs; and tourism, real estate, construction, and banking;
2. Minors, including the rate of drug usage, the effects of marijuana on developing brains, and high school dropout rates;
3. The insurance industry, including health, automobile, and life insurance;
4. The legal system, including crime rates, the prison population, and rates of usage of other drugs;
5. Workers' compensation and work-related accidents;
6. Public health and safety; and
7. The medical marijuana program.

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

Renumber accordingly

HB 1050 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1018, as engrossed:** Your conference committee (Sens. Holmberg, Bekkedahl, Robinson and Reps. Nathe, Martinson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1827-1834, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1827-1834 of the House Journal and pages 1517-1524 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the first semicolon insert "to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to a beyond visual line of sight unmanned aircraft system program;"

Page 1, line 2, remove "of the"

Page 1, line 3, "unmanned aircraft systems industry"

Page 1, remove lines 14 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$12,995,788	\$221,498	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization commission	3,152,915	(3,152,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	<u>58,283,906</u>	<u>139,387</u>	<u>58,423,293</u>
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full-time equivalent positions	66.40	(4.60)	61.80"

Page 2, replace lines 8 through 17 with:

"Flood impact grants/loans	\$5,201,752	\$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	0
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000
Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	800,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	25,000
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,625,000"

Page 2, replace lines 22 through 25 with:

**"SECTION 3. DISCRETIONARY FUNDS - RURAL HEALTH.** Of the \$2,150,000 from the general fund appropriated in the discretionary funds line item in section 1 of this Act, \$200,000 is designated for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state.

**SECTION 4. EXEMPTION.** The amount of \$2,200,000 appropriated in the discretionary funds line item in section 1 of chapter 43 of the 2017 Session Laws, of which \$1,200,000 was from the general fund and \$1,000,000 was from the research North Dakota fund, is not subject to section 54-44.1-11 and any unexpended funds from this appropriation are available for discretionary uses during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 26, after "amount" insert "of \$2,000,000"

Page 2, line 26, after "appropriated" insert "from the strategic investment and improvements fund"

Page 2, after line 29, insert:

**"SECTION 6. EXEMPTION.** The amount of \$1,500,000 appropriated from the general fund for the early childhood education grant program in section 1 of chapter 43 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, after line 2, insert:

**"SECTION 8. EXEMPTION.** The amount of \$950,000 appropriated from the general fund in the operating expenses line item for the operation intern program in section 1 of chapter 43 of the 2017 Session Laws and transferred to the internship fund in section 7 of chapter 43 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, line 13, after the boldfaced hyphen insert **"ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -"**

Page 3, line 14, replace "\$948,467" with "\$2,948,467"

Page 3, line 15, after "fund" insert ", \$2,000,000 is from the strategic investment and improvements fund,"

Page 3, line 15, replace "special funds" with "the economic development fund"

Page 3, line 17, after the period insert "The \$2,000,000 from the strategic investment and improvements fund is considered a one-time funding item. Of the \$2,000,000 from the strategic investment and improvements fund, \$900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks, and \$150,000 is to be distributed to the entrepreneurial center located in Jamestown. The funding for the Jamestown entrepreneurial center may only be provided to the extent the center provides one dollar of matching funds from private or other nonstate sources for each one dollar provided by the department for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, line 24, replace "Section" with "The grants line item in section"

Page 3, line 29, replace **"SYSTEMS"** with **"SYSTEM"**

Page 3, line 31, replace "\$27,000,000" with "\$28,000,000"

Page 4, line 2, replace "systems" with "system"

Page 4, replace lines 6 through 23 with:

**"SECTION 13.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Beyond visual line of sight unmanned aircraft system program - Requirements - Report to legislative management.**

The department may establish and administer a beyond visual line of sight unmanned aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight unmanned aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight unmanned aircraft system to provide quarterly payments to the state treasurer equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semi-annual reports to the legislative management regarding the development of the beyond visual line of sight unmanned aircraft system program and the total amount deposited by the state treasurer in the state general fund."

Page 4, line 25, replace **"SYSTEMS"** with **"SYSTEM"**

Page 4, line 28, replace "systems" with "system"

Page 4, line 29, replace "systems" with "system"

Page 5, line 1, replace "systems" with "system"

Page 5, line 2, replace "systems" with "system"

Page 5, after line 5, insert:

**"SECTION 15. LEGISLATIVE MANAGEMENT STUDY - MOTION PICTURE INCENTIVES.** During the 2019-20 interim, the legislative management shall consider studying motion picture incentives. The study must include a review of upper Midwest and neighboring states' statutes on motion picture incentives to assess their successes and challenges; an analysis of the economic impact that would benefit communities through food, lodging, supplies, and transportation; an assessment of existing industry infrastructure in the state and opportunities for growth; and an identification of unique geographic, seasonal, regulatory, and topographical assets the state has for the motion picture industry. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

**SECTION 16. SCULPTURE MAINTENANCE GRANTS - ONE-TIME FUNDING.** The grants line item in section 1 of this Act includes \$75,000 from the general fund for the purpose of providing grants, on a reimbursement basis, to maintain the structure and appearance of metal sculptures located adjacent to highways in North Dakota. Grant funds may be awarded only for sculptures with current land leases. The department of commerce shall establish guidelines to require a privately funded maintenance plan to be established for future maintenance cost of metal sculptures adjacent to highways in North Dakota. This funding is considered a one-time funding item.

**SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING.** The grants line item in section 1 of this Act includes \$800,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

**SECTION 18. TRANSFER - ESTIMATED INCOME- BEGINNING FARMER REVOLVING LOAN FUND - ONE-TIME FUNDING.** As requested by the commissioner of the department of commerce, the Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the department of commerce the sum of \$1,300,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act for paying intermodal container transportation shipping fees in the event intermodal containers are unable to be shipped, resulting in fees for the transport of containers to new locations for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item.

**SECTION 19. APPROPRIATION - 2017-19 BIENNIUM - NORTH DAKOTA GORGE PRESERVATION GRANTS - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$750,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants, on a reimbursement basis, to an organization dedicated to preserving a North Dakota gorge for the period beginning with the effective date of this Act, and ending June 30, 2019. Grant funds may be awarded only for expenditures related to the purchase and maintenance of outdoor recreation equipment, the improvement and maintenance of real property, enhancing public access to natural resources, and addressing public safety hazards in a North Dakota gorge. Grant funds may be awarded only to the extent that matching funds on a dollar-for-dollar basis are provided from private or other nonstate sources. Matching funds may include in-kind payments for labor and materials. The funding provided in this section is considered a one-time funding item. The funding provided under this section is not subject to section 54-44.1-11 and any unexpended funds may be continued and are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 20. JOB DEVELOPMENT AND ECONOMIC GROWTH GRANT - ONE-TIME FUNDING.** The grants line item in section 1 of this Act includes \$25,000 from the general fund for the purpose of providing a grant to an organization dedicated to promoting job development and economic growth through the purchase of a vacant building previously used to promote job development and economic growth for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item."

Page 5, line 6, replace "9 and 10" with "12, 13, and 19"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1018 - Department of Commerce - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$12,995,788	\$13,165,570	\$51,716	\$13,217,286	\$13,217,286	
Operating expenses	15,477,622	16,721,919	1,376,284	18,098,203	19,098,203	(\$1,000,000)
Grants	48,910,416	53,589,811	4,248,716	57,838,527	58,238,527	(400,000)
Discretionary funds	2,200,000		2,150,000	2,150,000	3,200,000	(1,050,000)
Ag. Products Utilization Commission	3,152,915	673,965	(673,965)			
North Dakota Trade Office	2,000,000	1,600,000		1,600,000	1,600,000	
Partner programs	1,939,845	1,562,531		1,562,531	1,562,531	
Entrepreneurship grants and vouchers	1,950,000	948,467	2,000,000	2,948,467	3,448,467	(500,000)
Intermodal container shipping fees			1,300,000	1,300,000	1,300,000	
Total all funds	\$88,626,586	\$88,262,263	\$10,452,751	\$98,715,014	\$101,665,014	(\$2,950,000)
Less estimated income	58,283,906	54,784,595	3,638,698	58,423,293	57,923,293	500,000
General fund	\$30,342,680	\$33,477,668	\$6,814,053	\$40,291,721	\$43,741,721	(\$3,450,000)
FTE	66.40	61.80	0.00	61.80	61.80	0.00

## Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Removes Funding for APUC <sup>2</sup>	Adds Funding for Tourism <sup>3</sup>	Restores Funding for Early Childhood Education Grants <sup>4</sup>	Adds Funding for Discretionary Funds <sup>5</sup>	Adjusts One- Time Funding for the Census 2020 Program <sup>6</sup>
Salaries and wages	\$51,716					
Operating expenses			\$1,000,000	\$151,284		
Grants				1,348,716		
Discretionary funds					\$2,150,000	
Ag. Products Utilization Commission		(\$673,965)				
North Dakota Trade Office						
Partner programs						
Entrepreneurship grants and vouchers						
Intermodal container shipping fees						
Total all funds	\$51,716	(\$673,965)	\$1,000,000	\$1,500,000	\$2,150,000	\$0
Less estimated income	12,663	(673,965)	0	0	0	1,000,000
General fund	\$39,053	\$0	\$1,000,000	\$1,500,000	\$2,150,000	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One- Time Funding for UAS Programs <sup>7</sup>	Adds One-Time Funding for Entrepreneurship Grants and Vouchers <sup>8</sup>	Adds One- Time Funding for Sculpture Maintenance Grants <sup>9</sup>	Adds One- Time Funding for a Nonresident Nurse Program <sup>10</sup>	Adds One- Time Funding for Intermodal Container Shipping Fees <sup>11</sup>	Adds One- Time Funding for a Job Development Grant <sup>12</sup>
Salaries and wages						
Operating expenses	\$225,000					
Grants	2,000,000		\$75,000	\$800,000		\$25,000
Discretionary funds						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Partner programs						
Entrepreneurship grants and vouchers		\$2,000,000				
Intermodal container shipping fees					\$1,300,000	
Total all funds	\$2,225,000	\$2,000,000	\$75,000	\$800,000	\$1,300,000	\$25,000
Less estimated income	0	2,000,000	0	0	1,300,000	0
General fund	\$2,225,000	\$0	\$75,000	\$800,000	\$0	\$25,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Total Conference Committee Changes</b>
Salaries and wages	\$51,716
Operating expenses	1,376,284
Grants	4,248,716
Discretionary funds	2,150,000
Ag. Products Utilization Commission	(673,965)
North Dakota Trade Office	
Partner programs	
Entrepreneurship grants and vouchers	2,000,000
Intermodal container shipping fees	1,300,000
Total all funds	\$10,452,751
Less estimated income	3,638,698
General fund	\$6,814,053
FTE	0.00

<sup>1</sup> Funding of \$51,716, of which \$39,053 is from the general fund and \$12,663 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 House approved 2019-21 biennium salary increases of 2 percent each year.

<sup>2</sup> Funding of \$673,965 from the Agricultural Products Utilization Commission (APUC) fund is removed to transfer the APUC program to the Agriculture Commissioner, the same as the Senate version.

<sup>3</sup> Funding of \$1 million is added from the general fund for operating expenses of the Department of Commerce Division of Tourism to provide a total of \$8,801,678 for operating expenses of the Division of Tourism, of which \$8,259,678 is from the general fund and \$542,000 is from the Department of Tourism fund. The Senate approved \$9,801,678 for the operating expenses of the Division of Tourism, of which \$9,259,678 was from the general fund and \$542,000 was from the Department of Tourism fund. The House approved \$7,801,678 for operating expenses of the Division of Tourism, of which \$7,259,678 was from the general fund and \$542,000 was from the Department of Tourism fund.

<sup>4</sup> Funding of \$1.5 million is restored for the early childhood education grants program, also known as the prekindergarten community grant program, the same as the Senate version. The House transferred funding for this program to the Department of Public Instruction.

<sup>5</sup> Funding of \$2.15 million is added from the general fund for discretionary funds. The Senate provided \$3.2 million from the general fund for discretionary funds. The House did not provide funding for discretionary funds.

<sup>6</sup> The Conference Committee changed the funding source of one-time funding of \$1 million for the Census 2020 program to the strategic investment and improvements fund. The House and Senate provided one-time funding of \$1 million from the general fund for this program. The program is for marketing and advocating to transient and low-population county individuals in the 2020 census.

<sup>7</sup> One-time funding of \$2,225,000 is added from the general fund for unmanned aircraft system programs, of which \$225,000 is for operating expenses of the Northern Plains Unmanned Aircraft Systems Test Site and \$2 million is for enhanced use lease grants. This results in total one-time appropriations from the general fund of \$2,225,000 for the Northern Plains Unmanned Aircraft Systems Test Site and \$3 million for enhanced use lease grants, the same as provided by the Senate. The House approved one-time appropriations from the general fund of \$2 million for the Northern Plains Unmanned Aircraft Systems Test Site and \$1 million for enhanced use lease grants.

<sup>8</sup> One-time funding of \$2 million is added from the strategic investment and improvements fund (SIIF) for the entrepreneurship grants and vouchers program to provide total funding of \$2,948,467, which includes ongoing funding of \$740,956 from the general fund and \$207,511 of ongoing funding from the economic development fund. The Senate provided one-time funding of \$2.5 million from SIIF, ongoing funding of \$740,956 from the general fund, and ongoing funding of \$207,511 from the economic development fund. The House provided \$948,467 of ongoing funding for the program, of which \$740,956 is from the

general fund and \$207,511 is from the economic development fund.

<sup>9</sup> One-time funding of \$75,000 is added from the general fund for sculpture maintenance grants. The Senate provided one-time funding of \$250,000 from the general fund for sculpture maintenance grants. The House did not provide funding for sculpture maintenance grants.

<sup>10</sup> One-time funding of \$800,000 is added from the general fund for a nonresident nurse employment recruitment program, the same as the Senate version. The House did not provide funding for this program.

<sup>11</sup> One-time funding of \$1.3 million is added from the Bank of North Dakota's beginning farmer revolving loan fund for intermodal container transportation shipping fees for the transportation of containers to new locations, the same as the Senate version. The House did not provide funding for intermodal container transportation shipping fees.

<sup>12</sup> One-time funding of \$25,000 is added from the general fund for a job development and economic growth grant. The Senate and House did not provide funding for this purpose.

The Conference Committee did not approve one-time funding of \$250,000 from the general fund for base retention grants that was previously added by the Senate. The House did not provide funding for base retention grants.

The Conference Committee did not approve a statutory section previously approved by the Senate to establish a beyond visual line of sight unmanned aircraft system fund.

The Conference Committee did not approve two statutory sections previously approved by the Senate relating to a new income tax credit for entities that have received funding from the Department of Commerce for the beyond visual line of sight unmanned aircraft system program.

This amendment also:

- Removes a section allowing the Department of Commerce to continue unexpended 2017-19 funding for the Agricultural Products Utilization Commission, the same as the Senate version.
- Adds a section designating \$200,000 of the \$2,150,000 appropriation in the discretionary funds line item for providing health services in rural areas of the state. The House and Senate did not designate funding for this program.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for discretionary funds into the 2019-21 biennium, the same as the Senate version.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for the early childhood education grant program into the 2019-21 biennium, the same as the Senate version.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for Operation Intern into the 2019-21 biennium, the same as the Senate version.
- Adjusts the amounts identified for the entrepreneurship grants and vouchers program and designates funding for the entrepreneurial centers certified by the Department of Commerce. The House and Senate did not designate specific amounts for the entrepreneurial centers.
- Amends a section to increase a 2017-19 biennium appropriation to the Department of Commerce for operating expenses of the beyond visual line of sight unmanned aircraft systems program from \$27 million to \$28 million, the same as the Senate version.
- Replaces a section added by the House relating to the beyond visual line of sight unmanned aircraft systems program with a section to create a new section to North Dakota Century Code Chapter 54-60 to establish a beyond visual line of sight unmanned aircraft system program, to require an entity receiving funding under this program to provide quarterly payments to the State Treasurer based on the entity's annual gross income associated with beyond visual line of sight unmanned aircraft

systems, to deposit funding received from this program in the state general fund, to provide for reports to the Legislative Management, and to declare the section an emergency measure.

- Adds a section to provide for a Legislative Management study of motion picture incentives, the same as the Senate.
- Adds a section identifying \$75,000 of one-time funding from the general fund for providing sculpture maintenance grants. The Senate approved one-time funding of \$250,000 from the general fund.
- Adds a section identifying \$800,000 of one-time funding from the general fund for a nonresident nurse employment recruitment program, the same as the Senate.
- Adds a section authorizing the transfer of up to \$1.3 million to the Department of Commerce from the Bank of North Dakota's beginning farmer revolving loan fund and appropriates the funds for intermodal container transportation shipping fees for the transportation of containers to new locations. The Senate also included this section.
- Adds a section providing a 2017-19 biennium general fund appropriation of \$750,000 for North Dakota gorge preservation grants, the same as the Senate.
- Adds a section identifying \$25,000 of one-time funding from the general fund for the purpose of providing a grant to an organization dedicated to promoting job development and economic growth through the purchase of a vacant building previously used for the same purpose. The Senate and House did not include this section.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

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

**SEN. D. LARSON MOVED** that the conference committee report on HB 1050 be adopted, which motion prevailed on a voice vote.

HB 1050, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1050:** A BILL for an Act to amend and reenact subsection 7 of section 12.1-32-01, section 19-03.1-22.3, subdivision d of subsection 8 of section 19-03.1-23, section 19-03.4-03, and subdivision i of subsection 5 of section 39-08-01 of the North Dakota Century Code, relating to multiple convictions of the same infraction, the possession and ingestion of marijuana, the possession of drug paraphernalia and the placement of an individual in a drug and alcohol treatment program by the department of corrections and rehabilitation; to provide for a legislative management study; 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 31 YEAS, 15 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Bakke; Bekkedahl; Burckhard; Davison; Dotzenrod; Dwyer; Grabinger; Heckaman; Hogan; Holmberg; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Marcellais; Mathern; Meyer; Oban; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Schaible; Sorvaag; Vedaa; Wanzek; Wardner

**NAYS:** Anderson; Clemens; Cook; Dever; Elkin; Erbele; Fors; Hogue; Kannianen; Larsen, O.; Lemm; Luick; Oehlke; Rust; Unruh

**ABSENT AND NOT VOTING:** Myrdal

HB 1050, as amended, passed.

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

**SEN. BEKKEDAHL MOVED** that the conference committee report on Engrossed HB 1018 be adopted, which motion prevailed on a voice vote.



Engrossed HB 1018, as amended, was placed on the Fourteenth order of business.

### 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 a new section to chapter 54-60 of the North Dakota Century Code, relating to a beyond visual line of sight unmanned aircraft system program; 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, the roll was called and there were 44 YEAS, 2 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; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

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

**ABSENT AND NOT VOTING:** Myrdal

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

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### REPORT OF CONFERENCE COMMITTEE

**HB 1021, as engrossed:** Your conference committee (Sens. Wanzek, Poolman, Robinson and Reps. Beadle, Kempenich, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1867-1870, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1867-1870 of the House Journal and pages 1524-1527 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, replace "and" with "to amend and reenact sections 37-17.3-02.2 and 37-17.3-03 of the North Dakota Century Code, relating to the membership of the statewide interoperability executive committee and a state cost-share for radios purchased for the statewide interoperable radio network; to provide a legislative intent statement;"

Page 1, line 2, after "provide" insert "for"

Page 1, line 2, after "report" insert "to the legislative management; to provide for a transfer; to provide an exemption; and to provide for a legislative management study"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$59,359,772	\$22,014,729	\$81,374,501
Operating expenses	69,552,998	35,804,366	105,357,364
Capital assets	8,295,000	(4,041,883)	4,253,117
Center for distance education	9,079,116	(9,079,116)	0
Statewide longitudinal data system	4,310,561	76,584	4,387,145
Educational technology council	1,121,472	(1,121,472)	0
Edutech	9,752,767	(106,994)	9,645,773
K-12 wide area network	4,534,278	633,692	5,167,970
Geographic information system	1,147,716	1,054,913	2,202,629
Health information technology office	5,315,509	(436,363)	4,879,146
Statewide interoperable radio network	<u>13,700,000</u>	<u>(1,370,000)</u>	<u>12,330,000</u>
Total all funds	\$186,169,189	\$43,428,456	\$229,597,645

Less estimated income	165,636,855	35,395,479	201,032,334
Total general fund	\$20,532,334	\$8,032,977	\$28,565,311
Full-time equivalent positions	344.30	57.70	402.00"

Page 2, replace lines 8 through 14 with:

"Electronic payment processing system	\$375,000	\$0
Health information network expansion	43,555,133	0
Statewide interoperable network loan	15,000,000	0
Cybersecurity	0	15,400,000
Statewide land parcel project	0	1,150,000
Total all funds	\$58,930,133	\$16,550,000
Less estimated income	<u>58,930,133</u>	<u>5,150,000</u>
Total general fund	\$0	\$11,400,000"

Page 2, after line 18, insert:

**"SECTION 3. EXCEPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects. The department shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - INFORMATION TECHNOLOGY INITIATIVES.** The estimated income line item in section 1 of this Act includes the sum of \$5,150,000 from the strategic investment and improvements fund for information technology initiatives, of which \$4,000,000 is for cybersecurity operating expenses and \$1,150,000 is for a geographic information system statewide land parcel project.

**SECTION 5. EXEMPTION.** The sum of \$43,555,133 of federal and other funds appropriated to the information technology department for the development of the health information network and care coordination project in chapter 46 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the health information network and care coordination project during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 6. LEGISLATIVE MANAGEMENT STUDY - ACCESS TO LANDS.**

1. During the 2019-20 interim, the legislative management shall study access to public and private lands for hunting, trapping, fishing, and related issues, including trespass violations and penalties, and provide recommendations regarding a land access database with the capability of electronic posting. At the direction of the legislative management, before August 1, 2020, the information technology department and game and fish department shall establish a trial electronic posting and hunter access information system in up to three counties. The information technology department and game and fish department may contract with a third party to assist with the electronic posting and hunter access information system development and operation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.
2. The legislative management shall appoint a committee for this study as follows:
  - a. The voting members of the committee, who must be appointed by the legislative management, are:
    - (1) Two members representing agriculture landowners;

- (2) Two members representing sportsmen organizations; and
- (3) Five members of the legislative assembly, including:
  - (a) One member of the majority party in the house of representatives;
  - (b) One member of the minority party in the house of representatives;
  - (c) One member of the majority party in the senate;
  - (d) One member of the minority party in the senate; and
  - (e) One member from either party in either chamber to serve as the committee chairman.
- b. The nonvoting members of the committee are:
  - (1) A representative of the North Dakota association of counties;
  - (2) The agriculture commissioner or the commissioner's designee;
  - (3) The director of the game and fish department or the director's designee;
  - (4) The chief information officer or the officer's designee; and
  - (5) A representative of the North Dakota state's attorneys' association.
- 3. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the legislative council. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency. A member of the committee who is a member of the legislative assembly is entitled to receive per diem compensation at the rate provided under section 54-35-10 for each day performing official duties of the committee. The legislative council shall pay the per diem compensation and reimbursement for travel and expenses as provided by law for any member of the committee who is a member of the legislative assembly.

**SECTION 7. LEGISLATIVE MANAGEMENT STUDY - INFORMATION TECHNOLOGY UNIFICATION INITIATIVE.** During the 2019-20 interim, the legislative management shall study the information technology department's transition to the run-grow-transform model and the information technology unification initiative. The study must include a review of changes in fees, services, operations, processes, and systems. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

**SECTION 8. LEGISLATIVE INTENT - INFORMATION TECHNOLOGY UNIFICATION INITIATIVE - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** It is the intent of the sixty-sixth legislative assembly that the information technology department provide direction to the executive branch agencies in the governor's cabinet not included in the information technology unification initiative pilot project regarding information technology strategic planning and operations. It is further the intent of the sixty-sixth legislative assembly that the sixty-seventh legislative assembly implement the findings and recommendations resulting from the information technology unification initiative pilot project.

**SECTION 9. INFORMATION TECHNOLOGY DEPARTMENT REVIEW - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2019-20 interim, the

information technology department shall conduct a review of service rates charged to state agencies, including rate structure and agency billing. The information technology department shall report the results of its review to the legislative management by September 1, 2020.

**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - STATEWIDE INTEROPERABLE RADIO NETWORK.** During the 2019-20 interim, the legislative management shall study consolidated emergency and interoperable public safety communications system governance and funding options. 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 11. AMENDMENT.** Section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

**37-17.3-02.2. North Dakota statewide interoperability executive committee. (Effective through July 31, 2023)**

1. The statewide interoperability executive committee consists of:
  - a. The director of state radio or a designee;
  - b. The director of the division of homeland security or a designee;
  - c. The superintendent of the highway patrol or a designee;
  - d. The adjutant general or a designee;
  - e. The director of the department of transportation or a designee;
  - f. A representative of the North Dakota sheriff's and deputies association;
  - g. A representative of the North Dakota emergency managers association;
  - h. A representative of the North Dakota fire chiefs association;
  - i. A representative of the North Dakota emergency medical services association;
  - j. A representative of the North Dakota police chiefs association;
  - k. A representative of the North Dakota peace officers association;
  - l. A representative of the North Dakota 911 association;
  - m. A representative of the North Dakota association of counties;
  - n. A representative of the North Dakota league of cities;
  - o. The North Dakota chief information officer or a designee;
  - ~~n-p.~~ The North Dakota Indian affairs commission executive director or a designee; and
  - ~~o-q.~~ One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management;
  - r. The director of the game and fish department or a designee; and
  - s. The state health officer or a designee.

2. The committee shall elect a chairman and vice chairman for terms of two years upon its initial meeting. ~~The adjutant general shall call and convene the initial meeting.~~
3. The committee shall prepare recommendations regarding a statewide ~~integrated interoperable radio system network~~ with due consideration for all stakeholders reliant upon the statewide interoperable radio communication system network.
4. The committee may adopt rules governing the connection or integration of public safety answering points to the statewide interoperable radio network.

**North Dakota statewide interoperability executive committee. (Effective after July 31, 2023)**

1. The statewide interoperability executive committee consists of:
  - a. The director of state radio or a designee;
  - b. The director of the division of homeland security or a designee;
  - c. The superintendent of the highway patrol or a designee;
  - d. The adjutant general or a designee;
  - e. The director of the department of transportation or a designee;
  - f. A representative of the North Dakota sheriff's and deputies association;
  - g. A representative of the North Dakota emergency managers association;
  - h. A representative of the North Dakota fire chiefs association;
  - i. A representative of the North Dakota emergency medical services association;
  - j. A representative of the North Dakota police chiefs association;
  - k. A representative of the North Dakota peace officers association;
  - l. A representative of the North Dakota 911 association; and
  - m. A representative of the North Dakota association of counties;
  - n. A representative of the North Dakota league of cities;
  - o. The North Dakota chief information officer or a designee;
  - p. The executive director of the North Dakota Indian affairs commission or a designee;
  - q. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management;
  - r. The director of the game and fish department or a designee; and
  - s. The state health officer or a designee.
2. The committee shall elect a chairman and vice chairman for terms of two years upon its initial meeting. ~~The adjutant general shall call and convene the initial meeting.~~

3. The committee shall prepare recommendations regarding a statewide ~~integrated interoperable radio system network~~ with due consideration for all stakeholders reliant upon ~~at the statewide interoperable radio communication system network~~.
4. The committee may adopt rules governing the connection or integration of public safety answering points to the statewide interoperable radio network.

**SECTION 12. AMENDMENT.** Section 37-17.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**37-17.3-03. Political subdivisions may furnish receiving and transmitting sets for enforcement purposes.**

1. Each county and organized city within the state may furnish to its law enforcement, firefighters, and emergency medical personnel the appropriate ~~radio or radio systems~~ personal and vehicular radios that can access the ~~state statewide interoperable radio system network~~. Each ~~mobile~~ radio that is programmed to access the ~~state statewide interoperable radio system network~~ must be registered with the division of state radio and assigned a unit number. ~~A one-time fee of ten dollars for registering and assigning unit numbers must be paid to the director on all newly added radios by the appropriate governmental entity approved by the statewide interoperability executive committee. Agencies with registered radios must validate assigned unit numbers annually. The chief information officer shall establish a process to register and audit users of the statewide interoperable radio network.~~
2. The information technology department may provide a state cost-share for each radio purchased under this section. The state-cost share for each radio is one thousand five hundred dollars unless the cost of the radio is less than one thousand five hundred dollars in which case the state cost-share is the cost of the radio."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Information Technology Department - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$59,359,772	\$59,559,558	\$21,814,943	\$81,374,501	\$81,374,501	
Operating expenses	69,552,998	89,091,647	16,265,717	105,357,364	103,357,364	\$2,000,000
Capital assets	8,295,000	4,253,117		4,253,117	4,253,117	
Center for Distance Education	9,079,116					
Statewide longitudinal data system	4,310,561	4,383,351	3,794	4,387,145	4,387,145	
Educational Technology Council	1,121,472					
EduTech	9,752,767	9,620,038	25,735	9,645,773	9,645,773	
K-12 wide area network	4,534,278	5,165,952	2,018	5,167,970	5,167,970	
Geographic information system	1,147,716	1,052,028	1,150,601	2,202,629	2,202,629	
Health information technology office	5,315,509	4,876,840	2,306	4,879,146	4,879,146	
Statewide Interoperability Radio Network	13,700,000	12,330,000		12,330,000	12,330,000	
Total all funds	\$186,169,189	\$190,332,531	\$39,265,114	\$229,597,645	\$227,597,645	\$2,000,000
Less estimated income	165,636,855	167,162,949	33,869,385	201,032,334	199,032,334	2,000,000
General fund	\$20,532,334	\$23,169,582	\$5,395,729	\$28,565,311	\$28,565,311	\$0
FTE	344.30	303.00	99.00	402.00	402.00	0.00

## Department 112 - Information Technology Department - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for FTE Cybersecurity Positions <sup>2</sup>	Restores Funding for Salaries and Wages <sup>3</sup>	Adds Funding for IT Unification <sup>4</sup>	Adds One- Time Funding for Cybersecurity <sup>5</sup>	Adds One- Time Funding for a GIS Project <sup>6</sup>
Salaries and wages	\$1,047,804	\$740,415	\$1,215,501	\$18,811,223		
Operating expenses		130,590		8,835,127	\$7,300,000	
Capital assets						
Center for Distance Education						
Statewide longitudinal data system	3,794					
Educational Technology Council						
EduTech	25,735					
K-12 wide area network	2,018					
Geographic information system	601					\$1,150,000
Health information technology office	2,306					
Statewide Interoperability Radio Network						
Total all funds	\$1,082,258	\$871,005	\$1,215,501	\$27,646,350	\$7,300,000	\$1,150,000
Less estimated income	1,073,035	0	0	27,646,350	4,000,000	1,150,000
General fund	\$9,223	\$871,005	\$1,215,501	\$0	\$3,300,000	\$0
FTE	0.00	3.00	0.00	96.00	0.00	0.00

Total Conference Committee Changes	
Salaries and wages	\$21,814,943
Operating expenses	16,265,717
Capital assets	
Center for Distance Education	
Statewide longitudinal data system	3,794
Educational Technology Council	
EduTech	25,735
K-12 wide area network	2,018
Geographic information system	1,150,601
Health information technology office	2,306
Statewide Interoperability Radio Network	
Total all funds	\$39,265,114
Less estimated income	33,869,385
General fund	\$5,395,729
FTE	99.00

<sup>1</sup> Funding of \$1,082,258, of which \$9,223 is from the general fund and \$1,073,035 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. Of the amount added from other funds, \$328,977 of special funds relates to increases in health insurance premiums for FTE included in the information technology unification initiative, the same as the Senate version. The House provided for salary increases of 2 percent each year of the biennium.

<sup>2</sup> Funding of \$871,005 is added from the general fund for 3 FTE cybersecurity positions, of which \$740,415 is for salaries and wages and \$130,590 is for operating expenses to provide a total of 8 FTE cybersecurity positions, the same as the Senate version. The House approved 5 cybersecurity positions.

<sup>3</sup> Funding of \$1,215,501 from the general fund is restored for salaries and wages removed by the House relating to underfunding salaries and wages, the same as approved by the Senate.

<sup>4</sup> Funding of \$27,646,350 of special funds and 96.00 FTE positions are transferred from the Department of Trust Lands (2 FTE), Department of Human Services (48 FTE), Adjutant General - Department of Emergency Services (4 FTE), Parks and Recreation Department (1 FTE), and Department of Transportation (41 FTE) to the Information Technology Department for the information technology unification initiative. Of the \$27,646,350, \$18,266,327 is for the FTE positions, \$544,896 is for temporary salaries, and \$8,835,127 is for related operating expenses, the same as approved by the Senate. The House did not approve funding for the unification initiative.

<sup>5</sup> One-time funding of \$7.3 million, of which \$3.3 million is from the general fund and \$4 million is from the strategic investment and improvements fund, is added for cybersecurity operating expenses to provide a total one-time appropriation of \$15.4 million for cybersecurity operating expenses. The Senate provided a one-time appropriation of \$11.4 million from the general fund for cybersecurity operating expenses. The House approved a one-time appropriation of \$8.4 million from the general fund.

<sup>6</sup> One-time funding of \$1.15 million is added from the strategic investment and improvements fund for a geographic information system statewide land parcel project, the same as the Senate. The House did not provide funding for these projects.

The Conference Committee did not approve a \$2 million one-time appropriation from the strategic investment and improvements fund for a legacy lift project previously approved by the Senate. The House did not provide funding for this project.

This amendment also:

- Adds a section to allow the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer, the same as the Senate.
- Adds a section identifying \$5.15 million of one-time funding from the strategic investment and improvements fund for information technology initiatives, of which \$4 million is for cybersecurity operating expenses and \$1.15 million is for a geographic information system statewide land parcel project. The Senate provided total funding of \$3.15 million from the strategic investment and improvements fund.
- Adds a section providing an exemption for the \$43,555,133 of federal and other funds appropriated to the Information Technology Department by the 2017 Legislative Assembly for the development of the health information network and care coordination project, the same as the Senate.
- Adds a section to provide for a Legislative Management study regarding access to lands for hunting, trapping, fishing, and related issues and to provide recommendations regarding a land access database. The Senate also provided for a land access study.
- Adds a section to provide for a Legislative Management study regarding the information technology unification initiative. The study must include a review of changes in fees, services, operations, processes, and systems. The Senate did not provide for this study.
- Adds a section providing legislative intent that the Information Technology Department provide direction to the executive branch agencies in the Governor's Cabinet not included in the information technology unification initiative pilot project regarding information technology strategic planning and operations. It is further the intent of the Legislative Assembly that the 67th Legislative Assembly implement the findings and recommendations resulting from the information technology unification initiative pilot project. The Senate did not include this section.
- Adds a section to require the Information Technology Department to conduct a review of service rates charged to state agencies, including rate structure and agency billing. The Information Technology Department is required to report the results of its review to the Legislative Management by September 1, 2020. The Senate did not include this section.
- Adds a section providing for a Legislative Management study of the consolidation of emergency and interoperable public safety communication system governance and funding options. The Senate did not include this section.
- Adds a section to amend the membership of the Statewide Interoperability Executive Committee. The Senate did not include this section.
- Adds a section relating to a state cost-share for each radio purchase for the statewide interoperable radio network. The Senate did not include this section.

Engrossed HB 1021 was placed on the Seventh order of business on the calendar.

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

**SEN. POOLMAN MOVED** that the conference committee report on Engrossed HB 1021 be



adopted, which motion prevailed on a voice vote.

Engrossed HB 1021, as amended, was placed on the Fourteenth order of business.

### **SECOND READING OF HOUSE BILL**

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact sections 37-17.3-02.2 and 37-17.3-03 of the North Dakota Century Code, relating to the membership of the statewide interoperability executive committee and a state cost-share for radios purchased for the statewide interoperable radio network; to provide a legislative intent statement; to provide for a report to the legislative management; to provide for a transfer; to provide an exemption; and to provide for a legislative management study.

### **ROLL CALL**

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

**YEAS:** Anderson; 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; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Myrdal

Reengrossed HB 1021, as amended, passed.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2042.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1021.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1050.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1018.

### **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 1009, HB 1021.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2211, SB 2297.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2148.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2148.

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

**MR. SPEAKER:** The President has signed: SB 2148.

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

**MR. SPEAKER:** The President has signed: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 26, 2019: SB 2148.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1009, as engrossed:** Your conference committee (Sens. Krebsbach, Poolman, Grabinger and Reps. Schmidt, Martinson, Nathe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1518, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on page 1518 of the House Journal and pages 1280 and 1281 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, replace lines 11 and 12 with:

"Premiums	<u>\$515,665</u>	<u>\$27,168</u>	<u>\$542,833</u>
Total general fund	\$515,665	\$27,168	\$542,833"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1009 - State Fair Association - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Premiums	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
Total all funds	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
Less estimated income	0	0	0	0	0	0
General fund	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 665 - State Fair Association - Detail of Conference Committee Changes**

	Increases Funding for Premiums <sup>1</sup>	Total Conference Committee Changes
Premiums	\$27,168	\$27,168
Total all funds	\$27,168	\$27,168
Less estimated income	0	0
General fund	\$27,168	\$27,168
FTE	0.00	0.00

<sup>1</sup> Funding is increased for premiums to provide a total of \$542,833. The House provided \$515,665 of funding for premiums. The Senate provided \$570,000 for premiums.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. KREBSBACH MOVED** that the conference committee report on Engrossed HB 1009 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1009, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

**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; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Myrdal

Engrossed HB 1009, as amended, passed.

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**INTERIM COMMITTEES****LEGISLATIVE MANAGEMENT**

Rich Wardner, Majority Leader  
Joan Heckaman, Minority Leader  
Randy Burckhard  
Ray Holmberg  
Jerry Klein  
Donald Schaible  
Ronald Sorvaag  
Erin Oban

**CAPITOL GROUNDS PLANNING COMMISSION**

Jay Elkin  
Diane Larson

**COMPREHENSIVE HEALTH ASSOCIATION OF NORTH DAKOTA BOARD**

Judy Lee

**STATE COUNCIL FOR INTERSTATE ADULT OFFENDER SUPERVISION**

Scott Meyer

**BRAIN INJURY ADVISORY COUNCIL**

Howard Anderson

**HIGHER EDUCATION GRANT REVIEW COMMITTEE**

Karen Krebsbach  
John Grabinger

**STREAMLINED SALES TAX GOVERNING BOARD**

Brad Bekkedahl  
Jessica Unruh

**EDUCATION COMMISSION OF THE STATES**

Donald Schaible

**REPORT OF CONFERENCE COMMITTEE**

**SB 2015, as engrossed:** Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Pollert, Delzer, Boschee) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1629-1635, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer"

Page 1, line 3, replace "54-27" with "21-10"

Page 1, line 3, remove "a shared"

Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"

Page 1, line 4, after "section" insert "6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section"

Page 1, line 4, after "54-06-30" insert ", and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"

Page 1, line 4, after "Code" insert ", section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly"

Page 1, line 5, after the first "the" insert "infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program,"

Page 1, line 5, after "bonuses" insert ", the salary of the secretary of state, higher education line item transfer authority, and a department of commerce nonresident nurse employment recruitment program"

Page 1, line 7, after the first semicolon insert "to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study;"

Page 1, line 7, remove "to the legislative assembly"

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

Page 1, line 8, remove "transfer"

Page 1, line 8, remove "and"

Page 1, line 8, after "date" insert "; and declare an emergency"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$21,596,832	\$306,984	\$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency fund	600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	621,400	1,950,000
Prairie public broadcasting	1,200,000	0	1,200,000

Community service supervision grants	350,000	0	350,000
Litigation funding pool	0	3,500,000	3,500,000
State student internship program	0	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$10,198,020	\$50,352,367
Less estimated income	<u>9,434,087</u>	<u>7,702,428</u>	<u>17,136,515</u>
Total general fund	\$30,720,260	\$2,495,592	\$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00"

Page 2, replace lines 12 through 24 with:

"Surplus property building	\$800,000	\$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	<u>50,000</u>
Total all funds	\$2,300,000	\$8,690,000
Total special funds	<u>1,800,000</u>	<u>8,390,000</u>
Total general fund	\$500,000	\$300,000"

Page 2, after line 28, insert:

**"SECTION 3. FULL-TIME EQUIVALENT POSITION AUTHORIZATION - ATTORNEY GENERAL.** The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position.

**SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND.** The office of management and budget shall transfer the sum of \$764,400,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND.** The office of management and budget shall transfer the sum of \$8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"

Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."

Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"

Page 3, line 26, after the period insert "The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes."

Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$2,000,000" with "\$500,000"

Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"

Page 4, remove lines 20 through 31

Page 5, replace lines 1 through 5 with:

- "1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of \$120 per month and a maximum of \$200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.
3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
4. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

**SECTION 17. AMENDMENT.** Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
  - a. The Red River valley water supply project;
  - b. New or replacement of existing water treatment plants;

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

**SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**15.1-18-10. Specialty areas - Teacher qualification.**

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
  - a. Is licensed to teach by the education standards and practices board;
  - b. Is approved to teach in that area by the education standards and practices board; and
  - c. Meets all requirements set forth in rule by the superintendent of public instruction.
2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.
3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.

4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
  - a. Has a permit issued by the board and has a high school diploma; ~~and~~
  - b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or  
 (2) Possesses a certificate, permit, or degree in the subject area to be taught; and
  - c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

**SECTION 19.** A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

**Recognition of legacy fund earnings for budget purposes.**

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

**SECTION 20. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.**

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but may not exceed ~~one hundred seventy-five thousand~~ two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.



**SECTION 21. AMENDMENT.** Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

**48-10-03. Powers and duties of the commission - Authority to accept gifts - Continuing appropriation.**

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

**SECTION 22. AMENDMENT.** Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. ABefore July 1, 2019, a state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed."

Page 5, line 27, remove the overstrike over "~~one thousand~~"

Page 5, line 27, remove "two thousand"

Page 6, replace lines 10 through 20 with:

**"SECTION 24. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**54-09-05. Salary of secretary of state.**

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, 2019~~2020~~, and one hundred ten thousand five hundred eighty-two dollars thereafter.

**SECTION 25. AMENDMENT.** Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.** Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

**SECTION 26. AMENDMENT.** Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 23. AMENDMENT.** Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND.** After other moneys in the statewide interoperable radio network fund, the transfer of \$20,000,000 from the strategic investment and improvements fund, and the \$80,000,000 line of credit have been used, ~~the~~ The industrial commission shall transfer the sum of \$20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, \$25,000,000 of the line of credit must be used.

**SECTION 27. AMENDMENT.** Section 1 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 1. APPROPRIATION.** ~~The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:~~

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$12,995,788	\$221,498	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527

Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	(3,152,915)	0
—commission			
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full-time equivalent positions	66.40	(4.60)	61.80

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	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$12,995,788	\$221,498	\$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,628,111	57,538,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization	3,152,915	(3,152,915)	0
—commission			
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	\$88,626,586	\$9,788,428	\$98,415,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	\$30,342,680	\$9,649,041	\$39,991,721
Full-time equivalent positions	66.40	(4.60)	61.80

**SECTION 28. AMENDMENT.** Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.**

The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Flood impact grants/loans	\$5,201,752	\$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	0
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally-controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000
Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	800,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	25,000
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	\$1,000,000	\$7,625,000

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

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.**

The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
<u>Flood impact grants/loans</u>	<u>\$5,201,752</u>	<u>\$0</u>
<u>Unmanned aircraft system</u>	<u>2,000,000</u>	<u>2,225,000</u>
<u>Base retention grants</u>	<u>600,000</u>	<u>0</u>
<u>Enhanced use lease grant</u>	<u>3,000,000</u>	<u>3,000,000</u>
<u>Workforce grants to tribally controlled community colleges</u>	<u>500,000</u>	<u>500,000</u>
<u>Census 2020 program</u>	<u>0</u>	<u>1,000,000</u>
<u>Workforce safety grant</u>	<u>0</u>	<u>1,000,000</u>
<u>Entrepreneurship grants and vouchers</u>	<u>0</u>	<u>2,000,000</u>
<u>Sculpture maintenance grants</u>	<u>0</u>	<u>75,000</u>
<u>Nonresident nurse employment recruitment</u>	<u>0</u>	<u>500,000</u>
<u>Intermodal container transportation shipping fees</u>	<u>0</u>	<u>1,300,000</u>
<u>Job development and economic growth grant</u>	<u>0</u>	<u>25,000</u>
<u>Total all funds</u>	<u>\$11,301,752</u>	<u>\$11,625,000</u>
<u>Less estimated income</u>	<u>10,301,752</u>	<u>4,300,000</u>
<u>Total general fund</u>	<u>\$1,000,000</u>	<u>\$7,325,000</u>

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

**SECTION 29. AMENDMENT.** Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING.**

The grants line item in section 1 of this Act includes ~~\$800,000~~\$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to \$4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

**SECTION 30. AMENDMENT.** Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

**SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT.** During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;
2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;
3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;
4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and
5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to ~~October~~ July 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan."

Page 6, after line 21, insert:

**"SECTION 32. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.**

1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:
  - a. The majority and minority leaders of the house of representatives and the senate, or their designees;
  - b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;
  - c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;
  - d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and
  - e. The chairman of the legislative management, or the chairman's designee.
2. The legislative management shall designate the chairman of the committee.
3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.
4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

**SECTION 33. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD COMMISSION.** During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must

include consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. 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 34. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS.** During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

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 35. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES.** During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Page 6, line 22, replace "16" with "31"

Page 6, after line 22, insert:

**"SECTION 37. EMERGENCY.** Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816	\$21,903,816	
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426	15,807,426	
Capital assets	973,477	2,837,125	2,000,000	4,837,125	4,837,125	
Grants	54,000	54,000		54,000	54,000	
Emergency commission contingency fund	600,000	500,000		500,000	500,000	
Guardianship grants	1,328,600	2,330,000	(380,000)	1,950,000	1,550,000	\$400,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000	1,200,000	

Community service supervision grants	350,000	400,000	(50,000)	350,000	350,000	
Litigation pool		2,500,000	1,000,000	3,500,000	3,500,000	
State student internship		250,000		250,000	250,000	
Total all funds	\$40,154,347	\$49,407,350	\$945,017	\$50,352,367	\$49,952,367	\$400,000
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515	17,136,515	0
General fund	\$30,720,260	\$33,784,464	(\$568,612)	\$33,215,852	\$32,815,852	\$400,000
FTE	117.00	108.00	4.00	112.00	112.00	0.00

### Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts Funding and FTE Positions for IT Unification <sup>2</sup>	Reduces Funding for Grants <sup>3</sup>	Adjusts One- Time Funding Items <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses		(820,022)		(\$1,500,000)	(2,320,022)
Capital assets				2,000,000	2,000,000
Grants					
Emergency commission contingency fund					
Guardianship grants			(\$380,000)		(380,000)
Prairie Public Broadcasting			(200,000)		(200,000)
Community service supervision grants			(50,000)		(50,000)
Litigation pool				1,000,000	1,000,000
State student internship					
Total all funds	\$101,492	(\$26,475)	(\$630,000)	\$1,500,000	\$945,017
Less estimated income	13,629	0	0	1,500,000	1,513,629
General fund	\$87,863	(\$26,475)	(\$630,000)	\$0	(\$568,612)
FTE	0.00	4.00	0.00	0.00	4.00

<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 a 2.5 percent salary increase on July 1, 2020, the same as the House. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

<sup>2</sup> Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing operating expenses by \$820,022, the same as the House. The Senate included the information technology unification project.

<sup>3</sup> Funding is reduced for grants as follows:

- \$380,000 for guardianship grants to provide a total of \$1.95 million. The Senate provided \$2.33 million and the House provided \$1.55 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000, the same as the House. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding, the same as the House. The Senate added \$200,000 of matching grants to provide \$1.4 million.

<sup>4</sup> Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project, the same as the House. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million, the same as the House. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000, the same as the House. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million, the same as the House. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000, the same as the House. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state. The House also added this section.
- Identifies \$4.22 million from the Capitol building fund for various projects, the same as the House. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool, the same as the House. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium, the same as the House. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The House included this provision but the Senate did not include the provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects, the same as the House. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019, the same as the House. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500, the same as the House. The Senate increased the performance bonus limit to \$2,500.
- Removes a section added by the Senate related to the creation of a shared services fund. The House also removed this section.

This amendment also provides for the following which were not in the Senate or House versions:

- Transfers \$764.4 million from the strategic investment and improvements fund to the general fund during the 2019-21 biennium.
- Transfers \$8.6 million from the tax relief fund to the general fund during the 2019-21 biennium.
- Authorizes 1 assistant attorney general FTE position in the Attorney General's office for litigation relating to voter identification.
- Amends House Bill No. 1018 to reduce funding in the Department of Commerce for the nonresident nurse employment recruitment program from \$800,000 to \$500,000.
- Amends Section 23 of House Bill No. 1014 which amended a section relating to the use of funding for the statewide interoperable radio network project.
- Amends Section 23 of House Bill No. 1003 relating to line item transfers for North Dakota University System institutions.
- Amends Section 6-09-49 relating to uses of the infrastructure revolving loan fund.
- Amends Section 15.1-18-10 as amended by Senate Bill Nos. 2013 and 2265 relating to specialty area teacher qualifications.
- Amends Section 54-09-05 as amended by Senate Bill No. 2002 to adjust the effective date of the salary increase for the Secretary of State.
- Amends Section 18 of Senate Bill No. 2012 which directs the Department of Human



Services to conduct a study of the placement of individuals in institutions for mental disease.

- Provides for a Legislative Management study of the Olmstead Commission.
- Provides for a Legislative Management study of charitable gaming laws.
- Provides for a Legislative Management study of other potential uses of Veterans' Home facilities.
- Creates a Legislative Management Legacy Fund Earnings Committee and directs a study.
- Declares Senate Bill Nos. 2020 and 2297 to be an emergency measure.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

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

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed SB 2015 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2015, as amended, was placed on the Eleventh order of business.

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

**SB 2015:** A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer; to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to the recognition of legacy fund earnings; to amend and reenact section 6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, if approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section 54-06-30, and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, of the North Dakota Century Code, section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, relating to the infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, state employee performance bonuses, the salary of the secretary of state, higher education line item transfer authority, and a department of commerce nonresident nurse employment recruitment program; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study; to provide for a report; to provide an exemption; to provide an effective date; and declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Fors

**ABSENT AND NOT VOTING:** Myrdal

Reengrossed SB 2015 passed and the emergency clause was declared carried.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1009.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2009, SB 2023.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2006, SB 2012, SB 2013.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2006, SB 2009, SB 2012, SB 2013, SB 2023.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2015.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2042.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2211, SB 2297.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1009.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1018, HB 1050.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1021.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2006, SB 2009, SB 2012, SB 2013, SB 2015, SB 2023.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2042.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2211, SB 2297.

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

**MR. SPEAKER:** The President has signed: SB 2006, SB 2009, SB 2012, SB 2013, SB 2015, SB 2023.

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

**MR. SPEAKER:** The President has signed: SB 2042.

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

**MR. SPEAKER:** The President has signed: SB 2211, SB 2297.

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

**MR. SPEAKER:** The President has signed: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

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

**MR. SPEAKER:** The President has signed: HB 1009.

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

**MR. SPEAKER:** The President has signed: HB 1018, HB 1021, HB 1050.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1009.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1018, HB 1021, HB 1050.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: SB 2006, SB 2009, SB 2012, SB 2013, SB 2015, SB 2023.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 26, 2019: SB 2042.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: SB 2211, SB 2297.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 26, 2019, I have signed the following: SB 2017 and SB 2022.

**REMARKS OF SENATE MAJORITY LEADER WARDNER**

Mr. President:

This has been a legislative session that will go down in history as one that can be characterized as cooperative, professional, and respectful and by high work ethic and integrity. I personally want to thank the following people:

Committee clerks - You are the engine that keeps the legislative process moving. Thank you for your dedicated work!

Committee interns - You provide the assistance to the chairpersons and committee clerks. Thank you for your contribution!

Pages and sergeants-at-arms - You have maintained an orderly and professional atmosphere here in the Senate. Thank you for your pride and personal attention to the Senate chambers.

Front desk staff - Wow, what a job!! You make us all look good! Thank you for your professionalism and your steady hand.

Office staff (Majority and Minority) - Kathy and Renae, you are both rock stars! You both keep the mental health of the Senate positive.

Legislative Council - What a great talented and dedicated group of professionals. You are truly the best!!

To my colleagues in the loyal opposition, you were truly the loyal opposition. You dug in beside the majority and worked as partners for the benefit of the people of North Dakota. Your cooperation, service attitude and professionalism did not go unnoticed. Thank you for all your work.

To my colleagues in the majority, you have displayed an attitude of professionalism, reaching out to make the minority party a partner. Your leadership and professionalism is most appreciated. You know how to get things done.

All of you in the majority and minority party have served the people of North Dakota, and not for personal reasons. I feel the Senate can feel good in achieving important milestones in the areas of infrastructure, behavioral health, re-insurance, K-12 funding, county social service final transfer to the Department of Human Services, funding of water projects, UAS, presidential library, building package and a salary package that will have a big benefit to lower-paid state employees.

Areas of concern as we go forward would be state highway funding, K-12 funding, research, low interest infrastructure fund, and we need to find ways to be more efficient in funding long term care.

I feel we have much to feel good about, but the challenges never end; therefore, we need to go get some R and R and then go back to work for the people of the State of North Dakota.

Thank you! God Bless all of you!

#### **REMARKS OF SENATE MINORITY LEADER HECKAMAN**

Mr. President:

As we close out the 66th Legislative Session I want start with a lot of thank yous.

To the Governor: Thank you for always taking the time to hear my concerns and those of my caucus. I know that I will not be getting tickets to the opening of the TR Library, but your kind response to me the following day speaks to your humanity and thoughtfulness.

To you, Mr. President, for keeping us in line and on task. We appreciate your steady leadership and attention to detail.

To my leadership team: Thanks to my assistant leader and caucus chair. The three of us have had our heads together several time and always to serve North Dakota with good policy and sufficient funding or maybe just to eat fruit rollups!

To my caucus: Thanks for your hard work. If you have not been in the minority, I am sure you would not enjoy carrying the work load these senators carry daily, carrying your bills to committee, to the floor, to caucus, and working for your district. I applaud your tenacity and dedication to North Dakota. Thanks for having confidence in me this session.

To my office staff: What a wonderful group to have each day working for North Dakota. My administrative assistant, research assistant and communications director work collaboratively to ensure this is a smooth-running machine. Thanks.

To the front desk: Your work makes our work easier. One day I know you will acknowledge Senator Robinson as he waves his hand to "start our engines."

To Renae: Thank you for your kindness and smile as I bop into the office any time-looking for an audience with the leader.

To the Majority Leader and your leadership team: It is a pleasure to work with you this legislative session. Thanks for keeping me in the loop. I wish you and your families a lovely summer, and I look forward to working with you over the interim.

Also, thanks to the gals in the supply room and kiosk, thanks for your work for our chamber. And the guys in back of the chamber: You always make us feel at ease.

To our friends and colleagues across the hall: Thank you for the challenges and supports during the session. Without both, the work of the people would not be successful.

To our lobbyists and observers: Your work is crucial in providing information to us and keeping us on the right path.

To the media: What can I say? You are always looking for sound bites that make the headlines. And often you get some doozies! Thanks for putting information out to the public.

To Legislative Council and IT: You are crucial to the work we do. Thanks for always being ready, willing, and able to assist us at a minute's notice. Amendments are being prepared for this speech as I speak! No, not really!

To my fellow Senators: Thank you for the privilege of working with all of you. It has been a great honor to serve with you. The collaboration this session is like none I have ever seen before. We have continued to work together to bring better policy forward for the greater good of our state. Not always agreeing is a good thing. It brings out many more ideas and initiatives than if we always agreed on everything. And in the end, we remain friends and colleagues. I am proud to serve with all of you.

And to all of our families! We will see you soon. None of us can do the work we do here without support from our families. We miss important milestones, activities, and events that we cannot recreate. We know that our absence often causes heartache, but we love the support you give to us as we work here for our districts and state.

Thank you, great friends! It has been an outstanding 66th Session. I look forward to working with you during the interim, and may our paths meet again in many ways.

#### **REMARKS OF PRESIDENT SANFORD**

I want to thank Senator Wardner and Senator Heckaman for your leadership. It's a cooperative place because of your attitudes and work styles.

I also want to thank the folks who made the floor sessions run so smoothly, from Legislative Council to Renae and all of the front desk staff, to Senator Klein, Shanda, and to Joe Wolf.

To all of the Senators: It's truly an honor to serve with you in this noble endeavor. We all strive, in these eighty days, to pass legislation that improves the lives of the citizens of North Dakota.

We accomplished a lot in this session, for education, recreation, infrastructure, behavioral health, taxes, human services, agriculture, energy, and emerging technologies. And we took our first steps in the direction of making Legacy Investments.

Tomorrow we start implementing the new policies, and we begin our interim work for next session. So I wish all of you a great summer, a great interim, and we shall see a lot of you back here and ready to go in a short 560 days!

#### **MOTION**

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

#### **MOTION**

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

**THE PRESIDENT APPOINTED** Sens. Cook, Meyer, and Hogan.

#### **REQUEST**

**SEN. COOK REQUESTED** that the committee appointed to inform the House that the Senate has completed its business and is about to adjourn be discharged, as the committee has completed its task, which request was granted.

#### **MOTION**

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

**THE PRESIDENT APPOINTED** Sens. Poolman, Vedaa, and Grabinger.

#### **REQUEST**

**SEN. POOLMAN REQUESTED** that the committee appointed to notify the Governor that the Senate has completed its business and is about to adjourn be discharged, as the committee

has completed its task, which request was granted.

**MOTION**

**SEN. WARDNER MOVED** that the Senate be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned sine die, which motion prevailed.

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

**Shanda Morgan, Secretary**