

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)
(At the request of the Legislative Management)

AN ACT providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications and transfers; to amend and reenact sections 54-03-10, 54-03-20, and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 2013, as follows:

Subdivision 1.

SIXTY-SECOND AND SIXTY-THIRD LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,933,506	\$784,985	\$8,718,491
Operating expenses	2,850,061	1,167,255	4,017,316
Capital assets	0	1,300,000	1,300,000
National conference of state legislatures	227,660	4,450	232,110
Total general fund	\$11,011,227	\$3,256,690	\$14,267,917

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,876,369	\$697,962	\$7,574,331
Operating expenses	3,442,134	473,193	3,915,327
Capital assets	21,000	20,500	41,500
Total all funds	\$10,339,503	\$1,191,655	\$11,531,158
Less estimated income	70,000	0	70,000
Total general fund	\$10,269,503	\$1,191,655	\$11,461,158
Full-time equivalent positions	34.00	0	34.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$21,280,730	\$4,448,345	\$25,729,075
Grand total special funds	<u>70,000</u>	<u>0</u>	<u>70,000</u>
Grand total all funds	\$21,350,730	\$4,448,345	\$25,799,075

SECTION 2. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Legislative applications replacement system	\$3,910,827	\$0
Computer equipment replacement	92,500	510,750
Legislative wing equipment and improvements	1,000,000	1,300,000
Redistricting special session	0	272,018
Information technology projects	<u>0</u>	<u>159,938</u>
Total general fund	\$5,003,327	\$2,242,706

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The legislative assembly shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation for the legislative management and legislative council in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Computer equipment replacement	\$0	\$76,000
Information technology projects	0	483,807
Office equipment replacement	20,000	25,000
State employee compensation study	100,000	0
Office improvements	<u>50,000</u>	<u>50,000</u>
Total general fund	\$170,000	\$634,807

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The legislative management and legislative council shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. TRANSFERS. Notwithstanding section 54-16-05, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative management and legislative council as may be requested by the chairman of the legislative management or the chairman's designee upon the finding by the chairman or designee that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the

legislative management and legislative council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the sixty-second and sixty-third legislative assemblies, upon request by the chairman of the legislative management or the chairman's designee upon the finding by the chairman or designee that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 5. APPLICATION AND TRANSFER AUTHORITY. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 29 of the 2009 Session Laws. The director of the office of management and budget and the state treasurer shall make transfers of funds between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the chairman's designee.

SECTION 6. COMMITTEE ROOM RENOVATIONS AND IMPROVEMENTS FUNDING - EXPENDITURE DETERMINATION. Any expenditure of funds relating to the sum of \$200,000 of the \$500,000 provided for committee room renovations and improvements in subdivision 1 of section 1 of this Act must be approved by a majority of the senate members of the interim legislative procedure and arrangements committee. Any expenditures relating to a separate sum of \$200,000 of the \$500,000 for committee room renovations and improvements must be approved by a majority of the house of representatives members of the interim legislative procedure and arrangements committee, and any expenditures relating to the remaining \$100,000 must be approved by a majority of all members of the interim legislative procedure and arrangements committee, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. AMENDMENT. Section 54-03-10 of the North Dakota Century Code is amended and reenacted as follows:

54-03-10. Compensation of speaker, majority and minority leaders, assistant majority and minority leaders, committee chairmen, and employees.

The speaker of the house, the house majority leader, the senate majority leader, the house minority leader, and the senate minority leader shall each receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~ten~~^{fifteen} dollars per day for each calendar day during any regular, special, or organizational session. Chairmen of the substantive standing committees, the house assistant majority leader, the senate assistant majority leader, the house assistant minority leader, and the senate assistant minority leader shall receive additional compensation of ~~five~~^{ten} dollars for each calendar day during any regular, special, or organizational session. The additional compensation provided by this section must be paid in the manner provided in section 54-03-20. The legislative assembly, by concurrent resolution, shall fix the compensation of the other officers and employees elected or appointed.

¹ **SECTION 8. AMENDMENT.** Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

¹ Section 54-03-20 was also amended by section 26 of Senate Bill No. 2015, chapter 41.

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~forty-eight~~fifty-two dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the

- maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
 5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
 6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
 7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~fifteen~~twenty-seven dollars a month, paid monthly.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~two~~three hundred ~~ninety-eight~~seven dollars per month during the biennium for their execution of public duties.
 8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
 9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 9. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~fifty-two~~fifty-seven dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative

committee between the organizational session and the regular session as authorized by legislative rule.

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.

5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~twenty-seven~~forty dollars a month, paid monthly.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~two hundred ninety-eight~~three hundred sixteen dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 10. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~forty-eight~~fifty-two dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's

committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 11. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~fifty-two~~fifty-seven dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 12. EFFECTIVE DATE. Sections 7, 8, and 10 of this Act become effective on July 1, 2011, and sections 9 and 11 of this Act become effective on July 1, 2012.

SECTION 13. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 2

HOUSE BILL NO. 1002

(Appropriations Committee)
(At the request of the Supreme Court)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; and to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 judicial branch for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,189,996	\$926,655	\$9,116,651
Operating expenses	2,197,376	117,742	2,315,118
Capital assets	0	25,000	25,000
Judges retirement	127,021	11,084	138,105
Total general fund	\$10,514,393	\$1,080,481	\$11,594,874

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$48,980,255	\$5,235,889	\$54,216,144
Operating expenses	14,633,423	2,225,099	16,858,522
Capital assets	0	676,480	676,480
Judges retirement	533,705	(54,708)	478,997
UND central legal research	80,000	0	80,000
Alternative dispute resolution	20,000	(20,000)	0
Mediation	792,036	77,628	869,664
Total all funds	\$65,039,419	\$8,140,388	\$73,179,807
Less estimated income	1,770,461	86,314	1,856,775
Total general fund	\$63,268,958	\$8,054,074	\$71,323,032

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	\$813,629	\$76,326	\$889,955
Total all funds	\$813,629	\$76,326	\$889,955
Less estimated income	314,346	11,153	325,499
Total general fund	\$499,283	\$65,173	\$564,456

Subdivision 4.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
BILL TOTAL			
Grand total general fund	\$74,282,634	\$9,199,728	\$83,482,362
Grand total special funds	2,084,807	97,467	2,182,274
Grand total all funds	\$76,367,441	\$9,297,195	\$85,664,636
Full-time equivalent positions	342.00	2.00	344.00

SECTION 2. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfer of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 4. AMENDMENT. Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

27-02-02. Salaries of justices of supreme court.

The annual salary of each justice of the supreme court is one hundred ~~twenty-four~~thirty-four thousand ~~twenty-seven~~one hundred ~~thirty-five~~thirty-eight dollars through June 30, ~~2010~~2012, and one hundred ~~thirty~~thirty-eight thousand ~~two~~one hundred ~~twenty-eight~~thirty-nine dollars thereafter. The chief justice of the supreme court is entitled to receive an additional three thousand ~~five~~eight hundred ~~sixty-two~~sixty-two dollars per annum through June 30, ~~2010~~2012, and three thousand ~~seven~~nine hundred ~~forty-six~~eight dollars per annum thereafter.

SECTION 5. AMENDMENT. Section 27-05-03 of the North Dakota Century Code is amended and reenacted as follows:

27-05-03. Salaries and expenses of district judges.

The annual salary of each district judge is one hundred ~~thirteen~~twenty-two thousand ~~six~~nine hundred ~~forty-eight~~ten dollars through June 30, ~~2010~~2012, and one hundred ~~nineteen~~twenty-six thousand ~~three~~five hundred ~~thirty~~ninety-seven dollars

thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional three thousand ~~two~~five hundred ~~eighty-two~~fifty dollars per annum through June 30, ~~2010~~2012, and three thousand ~~four~~six hundred ~~forty-seven~~fifty-seven dollars thereafter.

SECTION 6. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Unified case management system replacement project	\$7,258,129	\$0
Management reserve fund	600,000	0
Parenting coordinator training	52,040	0
Studies on work assessment and racial and ethical bias in the courts	0	200,000
Office equipment and furniture	288,124	185,000
Information technology equipment	<u>109,088</u>	<u>516,480</u>
Total general fund	<u>\$8,307,381</u>	<u>\$901,480</u>

The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15 biennium. The supreme court shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

Approved May 5, 2011
 Filed May 5, 2011

CHAPTER 3

HOUSE BILL NO. 1003

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide borrowing authority; to provide an exemption; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to amend and reenact sections 15-10-08 and 15-70-04, subsection 3 of section 43-12.2-03, and subsection 3 of section 43-17.2-03 of the North Dakota Century Code, relating to state board of higher education member compensation, eligibility for the medical personnel loan repayment program, eligibility for the physician loan repayment program, and grants for nonbeneficiary students enrolled in tribally controlled community colleges; to provide legislative intent; to provide for reports; to provide for legislative management studies; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 North Dakota university system and to the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of the North Dakota university system office and to the various entities, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$12,014,048	\$190,721	\$12,204,769
Competitive research program	7,050,000	0	7,050,000
System governance	7,185,612	(308,340)	6,877,272
Title II	695,600	0	695,600
System information technology services	30,230,038	5,776,629	36,006,667
Professional liability insurance	1,100,000	(300,000)	800,000
Student financial assistance grants	19,374,022	0	19,374,022
Professional student exchange program	3,337,100	(15,662)	3,321,438
Academic and technical education scholarships	3,000,000	(3,000,000)	0
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	381,292	192,975	574,267

Tribally controlled community college grants	700,000	300,000	1,000,000
Security and emergency preparedness	750,000	(750,000)	0
Education incentive programs	3,176,344	0	3,176,344
Science, technology, engineering, and mathematics teacher education enhancement	1,500,000	(1,500,000)	0
Equity and student affordability	0	15,240,565	15,240,565
Grants	100,000	(100,000)	0
Total all funds	\$93,507,640	\$15,726,888	\$109,234,528
Less estimated income	<u>4,748,958</u>	<u>(1,994,240)</u>	<u>2,754,718</u>
Total general fund	\$88,758,682	\$17,721,128	\$106,479,810
Full-time equivalent positions	23.30	0.00	23.30

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,204,005	\$2,256,082	\$26,460,087
Capital assets	<u>243,481</u>	<u>13,767,125</u>	<u>14,010,606</u>
Total all funds	\$24,447,486	\$16,023,207	\$40,470,693
Less estimated income	<u>0</u>	<u>8,535,000</u>	<u>8,535,000</u>
Total general fund	\$24,447,486	\$7,488,207	\$31,935,693
Full-time equivalent positions	111.51	0.00	111.51

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,956,210	\$663,033	\$8,619,243
Capital assets	<u>43,662</u>	<u>977,705</u>	<u>1,021,367</u>
Total all funds	\$7,999,872	\$1,640,738	\$9,640,610
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$7,999,872	\$1,640,738	\$9,640,610
Full-time equivalent positions	37.50	0.00	37.50

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,696,999	\$803,898	\$8,500,897
Capital assets	<u>86,475</u>	<u>5,156,326</u>	<u>5,242,801</u>
Total all funds	\$7,783,474	\$5,960,224	\$13,743,698
Less estimated income	<u>0</u>	<u>2,225,000</u>	<u>2,225,000</u>
Total general fund	\$7,783,474	\$3,735,224	\$11,518,698
Full-time equivalent positions	43.42	0.00	43.42

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$125,036,783	\$11,557,009	\$136,593,792
Capital assets	<u>2,300,545</u>	<u>45,158,167</u>	<u>47,458,712</u>
Total all funds	\$127,337,328	\$56,715,176	\$184,052,504
Less estimated income	<u>0</u>	<u>30,450,000</u>	<u>30,450,000</u>
Total general fund	\$127,337,328	\$26,265,176	\$153,602,504
Full-time equivalent positions	651.91	0.00	651.91

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$108,367,622	\$10,567,076	\$118,934,698
Capital assets	<u>1,692,225</u>	<u>37,412,702</u>	<u>39,104,927</u>
Total all funds	\$110,059,847	\$47,979,778	\$158,039,625
Less estimated income	<u>0</u>	<u>36,100,000</u>	<u>36,100,000</u>
Total general fund	\$110,059,847	\$11,879,778	\$121,939,625
Full-time equivalent positions	584.88	0.00	584.88

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$31,607,155	\$2,006,991	\$33,614,146
Capital assets	<u>753,332</u>	<u>21,317,713</u>	<u>22,071,045</u>
Total all funds	\$32,360,487	\$23,324,704	\$55,685,191
Less estimated income	<u>0</u>	<u>10,700,000</u>	<u>10,700,000</u>
Total general fund	\$32,360,487	\$12,624,704	\$44,985,191
Full-time equivalent positions	164.87	0.00	164.87

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$20,123,737	\$2,682,639	\$22,806,376
Capital assets	<u>383,690</u>	<u>25,388</u>	<u>409,078</u>
Total all funds	\$20,507,427	\$2,708,027	\$23,215,454
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$20,507,427	\$2,708,027	\$23,215,454
Full-time equivalent positions	92.96	0.00	92.96

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$11,629,616	\$1,010,207	\$12,639,823
Capital assets	<u>208,991</u>	<u>234,514</u>	<u>443,505</u>
Total all funds	\$11,838,607	\$1,244,721	\$13,083,328
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$11,838,607	\$1,244,721	\$13,083,328
Full-time equivalent positions	58.72	0.00	58.72

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,623,707	\$2,647,646	\$37,271,353
Capital assets	<u>596,870</u>	<u>21,187,305</u>	<u>21,784,175</u>
Total all funds	\$35,220,577	\$23,834,951	\$59,055,528
Less estimated income	<u>0</u>	<u>16,034,555</u>	<u>16,034,555</u>
Total general fund	\$35,220,577	\$7,800,396	\$43,020,973
Full-time equivalent positions	187.83	0.00	187.83

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$16,368,001	\$1,037,737	\$17,405,738
Capital assets	<u>258,416</u>	<u>11,513,319</u>	<u>11,771,735</u>
Total all funds	\$16,626,417	\$12,551,056	\$29,177,473
Less estimated income	<u>0</u>	<u>1,015,000</u>	<u>1,015,000</u>
Total general fund	\$16,626,417	\$11,536,056	\$28,162,473
Full-time equivalent positions	90.37	0.00	90.37

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$5,862,372	\$378,063	\$6,240,435
Capital assets	<u>109,725</u>	<u>705,782</u>	<u>815,507</u>
Total all funds	\$5,972,097	\$1,083,845	\$7,055,942
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$5,972,097	\$1,083,845	\$7,055,942
Full-time equivalent positions	34.81	0.00	34.81

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH
SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$40,890,401	\$5,892,620	\$46,783,021
Total all funds	\$40,890,401	\$5,892,620	\$46,783,021
Less estimated income	0	0	0
Total general fund	\$40,890,401	\$5,892,620	\$46,783,021
Full-time equivalent positions	137.43	0.00	137.43

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$4,471,040	\$641,127	\$5,112,167
Capital assets	36,638	67,153	103,791
Total all funds	\$4,507,678	\$708,280	\$5,215,958
Less estimated income	997,486	6,000	1,003,486
Total general fund	\$3,510,192	\$702,280	\$4,212,472
Full-time equivalent positions	26.00	0.00	26.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$539,059,338	\$215,394,215	\$754,453,553
Grand total special funds	5,746,444	103,071,315	108,817,759
Grand total general fund	\$533,312,894	\$112,322,900	\$645,635,794

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal fiscal stimulus	\$19,309,920	\$0
Dickinson state university operating funds	350,000	900,000
Mayville state university drainage study	0	55,000
UND school of medicine space utilization study	0	100,000
Dickinson state university Theodore Roosevelt center	750,000	0
Electronic medical records system UND medical school	225,000	0
Deferred maintenance - General fund	20,000,000	0
Capital projects - General fund	39,008,248	47,136,000
Capital projects - Other funds	166,958,000	105,065,555
Capital projects - Permanent oil tax trust fund	10,400,000	0
Special assessments payments	0	819,357

Emerald ash borer program	0	<u>250,000</u>
Total all funds	\$257,001,168	\$154,325,912
Total other funds	<u>197,017,920</u>	<u>105,065,555</u>
Total general fund	\$59,983,248	\$49,260,357

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM. The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 31 of the 2009 Session Laws to the appropriate higher education institution's special fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 4. BORROWING AUTHORITY - WILLISTON STATE COLLEGE - WORKFORCE TRAINING BUILDING PROJECT. Williston state college may borrow the sum of \$1,725,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the workforce training building project for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 5. CAPITAL ASSETS. The sum of \$12,204,769, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 1 of section 1 of this Act, must be used by the state board of higher education to satisfy outstanding bond obligations.

SECTION 6. EQUITY AND STUDENT AFFORDABILITY FUNDING POOL TRANSFERS. The equity and student affordability line item in subdivision 1 of section 1 of this Act includes the sum of \$15,240,565 which must be transferred by the state board of higher education to institutions under its control based on existing formulas for equity and student affordability distributions.

SECTION 7. NORTH DAKOTA UNIVERSITY SYSTEM AND UNIVERSITY OF NORTH DAKOTA JOINT INFORMATION TECHNOLOGY BUILDING PROJECT - BUDGET SECTION REPORT. The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$20,500,000 for the North Dakota university system and university of North Dakota joint information technology building project. The state board of higher education may spend additional funds on the project of up to \$5,000,000 that are made available from the university of North Dakota, North Dakota state university, and North Dakota university system 2011-13 biennium information technology services funding resulting from one-time savings or efficiencies. The North Dakota university system shall provide a report to the budget section of the legislative management regarding any funds expended pursuant to this section.

SECTION 8. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET SECTION REPORT. North Dakota state university may use unspent funding from the \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the biennium beginning July 1, 2011, and ending June 30, 2013. North Dakota state university shall report to the budget

section regarding the status of the Minard hall project and may request increased spending authorization from the budget section for the project.

SECTION 9. SYSTEM INFORMATION TECHNOLOGY SERVICES. The sum of \$36,006,667, or so much of the sum as may be necessary, included in the system information technology services line item in subdivision 1 of section 1 of this Act, must be used for the benefit of the institutions and entities under the control of the state board of higher education, as determined by the board. Funding allocations are to be made based on the North Dakota university system information technology plan and technology priorities. Funds allocated pursuant to this section must be used to support the system information technology services, including the higher education computer network, the interactive video network, the on-line Dakota information network, connectND, and other related technology initiatives as determined by the board.

SECTION 10. STUDENT LOAN TRUST FUND. Subdivision 1 of section 1 of this Act includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student loan trust fund of which \$465,307 is for the professional student exchange program and \$539,437 connectND campus solution positions, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, received by the institutions and entities under the control of the state board of higher education are appropriated to those institutions and entities, for the biennium beginning July 1, 2011, and ending June 30, 2013. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2011, and ending June 30, 2013, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 12. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2011, and ending June 30, 2013, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets or extraordinary repairs, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2013-15 biennium budget request.

SECTION 14. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs in subdivision 1 of section 1 of this Act may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

SECTION 15. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to

be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2013. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning July 1, 2011, and ending June 30, 2013, for the purpose of financing the following capital projects:

Bismarck state college student union renovation and addition	\$7,000,000
Williston state college workforce training center	1,725,000
University of North Dakota - Wilkerson hall renovation and addition	14,000,000
University of North Dakota - University town home apartments	5,000,000
North Dakota state college of science - Forkner hall renovation	5,000,000
North Dakota state college of science - Schulz hall renovation	4,000,000
Minot state university - Resident apartments	<u>3,500,000</u>
Total special funds	\$40,225,000

SECTION 16. AMENDMENT. Section 15-10-08 of the North Dakota Century Code is amended and reenacted as follows:

15-10-08. Compensation of board members - Expenses - Legislative appropriations.

Each member of the state board of higher education, except the student member, is entitled to receive as compensation one hundred forty-eight dollars per day for each calendar day actually spent devoted to the duties of office, and necessary expenses in the same manner and amounts as other state officials for attending meetings and performing other functions of office. The legislative assembly shall provide adequate funds to carry out the functions and duties of the board.

SECTION 17. AMENDMENT. Section 15-70-04 of the North Dakota Century Code is amended and reenacted as follows:

15-70-04. Submission of grant application - Distribution of grants.

1. In order to qualify for a grant under this chapter, an institutiona tribally controlled community college shall submit an application at the time and in the manner required by the state board of higher education. The application must document:
 - a. Include the name and address of each student who qualifies for financial assistance under this chapter; and
 - b. Document the enrollment status of each student on whose account who qualifies for financial assistance under this chapter is sought.
2. If an application is approved, the state board of higher education shall distribute to each the tribally controlled community college, during each year of the biennium, five thousand three hundred four dollars per full-time equivalent nonbeneficiary student an amount equivalent to the most recent per student payment provided in accordance with the Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for each nonbeneficiary student who is a resident of the state. If the amount appropriated is insufficient to meet the requirements of this section, the board shall distribute a prorated

~~amount per full-time equivalent nonbeneficiary student~~ prorate the amount to be distributed.

3. If after meeting the requirements of this section any amount remains available for distribution at the conclusion of each year of the biennium, the state board of higher education shall provide prorated distribution based on criteria set forth in this section.
4. At the time and in the manner determined by the state board of higher education, each tribally controlled community college receiving assistance under this section shall file a report indicating:
 - a. The graduation rate of nonbeneficiary students; and
 - b. The ratio between the amount of funding received by the tribally controlled community college under this section and the college's annual budget.

SECTION 18. AMENDMENT. Subsection 3 of section 43-12.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A nurse practitioner, physician assistant, or certified nurse midwife who receives loan repayment under this chapter:
 - a. Must be a graduate of an accredited program, located in the United States or Canada, for the preparation of nurse practitioners, physician assistants, or certified nurse midwives;
 - b. ~~Must be enrolled in or have graduated from an accredited training program for nurse practitioners, physician assistants, or certified nurse midwives prior to or within one year after submitting an application to participate in the loan repayment program and may not have practiced full time as a nurse practitioner, physician assistant, or certified nurse midwife in this state for more than one year before the date of the application;~~
 - e. Must be licensed or registered to practice as a nurse practitioner, physician assistant, or certified nurse midwife in this state;
 - ~~e-c.~~ Shall submit an application to participate in the loan repayment program; and
 - ~~e-d.~~ Must have entered into an agreement with a selected community to provide full-time services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

SECTION 19. AMENDMENT. Subsection 3 of section 43-17.2-03 of the North Dakota Century Code is amended and reenacted as follows:

3. A physician who receives loan repayment under this chapter:
 - a. Must be a graduate of an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board;
 - b. ~~Must not have practiced full-time medicine in this state for more than one year before the date of the application;~~

- e- Must have a full and unrestricted license to practice medicine in this state;
- ~~d-c.~~ Shall submit an application to participate in the loan repayment program; and
- e-d. Must have entered into an agreement with a selected community to provide full-time medical services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

SECTION 20. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM BUDGET REQUEST. It is the intent of the sixty-second legislative assembly that the state board of higher education develop a budget request for the North Dakota university system for the 2013-15 biennium that does not include a funding component for student affordability to limit student tuition increases or a funding component for equity distributions to institutions based on a peer institution comparison. The budget request may be based on a funding method that incorporates a tiered system of funding distributions based on institution type or other funding method that addresses the needs of the North Dakota university system.

SECTION 21. LEGISLATIVE INTENT - ENROLLMENT REPORTING. It is the intent of the sixty-second legislative assembly that North Dakota university system enrollment reports detailing fall semester enrollment information only include data for full-time students that are physically present on campus.

SECTION 22. LEGISLATIVE MANAGEMENT STUDY - PROGRAM TUITION RATES - WORKFORCE NEEDS. During the 2011-12 interim, the legislative management shall consider studying programs offered by North Dakota university system institutions that address the workforce needs of the state, including a review of the use of graduated tuition rates to increase enrollment in programs that address workforce needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 23. LEGISLATIVE MANAGEMENT STUDY - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES. During the 2011-12 interim, the legislative management chairman shall consider appointing a separate committee to study the ability of the university of North Dakota school of medicine and health sciences to meet the health care needs of the state. The study, if conducted, must include a review of the health care needs of the state, options to address the health care needs of the state, and the feasibility and desirability of expanding the school of medicine and health sciences to meet the health care needs of the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 24. EMERGENCY. The capital assets and education incentive line items contained in section 1 of this Act and sections 4 and 15 of this Act are declared to be an emergency measure.

Approved May 4, 2011
Filed May 5, 2011

CHAPTER 4

HOUSE BILL NO. 1004

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to provide a contingent appropriation; to provide legislative intent; to provide for reports; to provide for a legislative management study; to provide for a performance audit; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$44,861,868	\$4,283,655	\$49,145,523
Operating expenses	44,635,794	3,957,372	48,593,166
Capital assets	1,813,268	184,805	1,998,073
Grants	62,160,510	(6,632,472)	55,528,038
Tobacco prevention	9,079,685	(2,917,289)	6,162,396
WIC food payments	25,063,375	(905,266)	24,158,109
Federal stimulus funds	0	3,492,228	3,492,228
Total all funds	\$187,614,500	\$1,463,033	\$189,077,533
Less estimated income	<u>164,609,206</u>	<u>(4,445,453)</u>	<u>160,163,753</u>
Total general fund	\$23,005,294	\$5,908,486	\$28,913,780
Full-time equivalent positions	343.50	(1.00)	342.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Grant for mobile dental care service	\$196,000	\$0
Contingent transfer - Community health trust fund	2,405,371	0
Regional public health network pilot project	275,000	0
Immunization services	1,200,000	0
STEMI response program grant	0	600,000
Federal fiscal stimulus	13,247,325	3,492,228
Total all funds	\$17,323,696	\$4,092,228
Less estimated income	<u>13,247,325</u>	<u>3,492,228</u>
Total general fund	\$4,076,371	\$600,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The state department of health shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$272,310, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund, for the biennium beginning July 1, 2011, and ending June 30, 2013. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 4. SAFE HAVENS SUPERVISED VISITATION AND EXCHANGE PROGRAM - DISTRIBUTION. The sum of \$425,000 included in the grants line item in section 1 of this Act is provided to continue the safe havens supervised visitation and exchange program for centers meeting eligibility standards in effect during the 2009-11 biennium.

SECTION 5. CONTINGENT APPROPRIATION AND BANK OF NORTH DAKOTA LINE OF CREDIT - LITIGATION AND ADMINISTRATIVE PROCEEDINGS COSTS - REPORT TO BUDGET SECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the state department of health for the purpose of defraying expenses associated with possible litigation and other administrative proceedings involving the United States environmental protection agency for the period beginning with the effective date of this Act and ending June 30, 2013. In addition, the state department of health, contingent on litigation and administrative proceedings, may borrow the sum of \$500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, the proceeds of which is appropriated to the state department of health for the purpose of defraying the expenses associated with possible litigation and other administrative proceedings involving the United States environmental protection agency for the period beginning with the effective date of this Act and ending June 30, 2013. The department may spend the general fund moneys and access the line of credit only upon approval by the attorney general. The department must report quarterly to the budget section during the 2011-12 interim regarding the status of any litigation and other administrative proceedings.

SECTION 6. INTENT - INDIRECT COST RECOVERIES. Notwithstanding section 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating account.

SECTION 7. LEGISLATIVE INTENT - SUICIDE PREVENTION PROGRAM. It is the intent of the legislative assembly that the state department of health work in conjunction with the Indian affairs commission to develop, implement, and coordinate a suicide prevention program, including outreach, education, and administration of grants for suicide prevention activities for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - REGIONAL PUBLIC HEALTH NETWORK PILOT PROJECT. During the 2011-12 interim, the legislative management shall consider studying the regional public health network pilot project conducted during the 2009-11 biennium, including services provided, effects of the project on participating local public health units, efficiencies achieved in providing services, cost-savings to state and local governments, and possible improvements to the program. The legislative management shall report its findings and

recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 9. STATE AUDITOR - PERFORMANCE AUDIT - FAMILY HEALTH DIVISION - STATE DEPARTMENT OF HEALTH. The state auditor shall contract for a performance audit of the family health division of the state department of health during the biennium beginning July 1, 2011, and ending June 30, 2013. The state auditor may bill the state department of health for costs associated with the performance audit. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees of the sixty-third legislative assembly.

SECTION 10. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 5

HOUSE BILL NO. 1005

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, to the Indian affairs commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$556,080	\$45,293	\$601,373
Operating expenses	<u>126,505</u>	<u>95,000</u>	<u>221,505</u>
Total general fund	\$682,585	\$140,293	\$822,878
Full-time equivalent positions	4.00	0.00	4.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal fiscal stimulus	<u>\$18,000</u>	<u>\$0</u>
Total other funds	\$18,000	\$0

SECTION 3. LEGISLATIVE INTENT - SUICIDE PREVENTION PROGRAM - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. It is the intent of the sixty-second legislative assembly that the Indian affairs commission work in conjunction with the state department of health to develop a suicide prevention program, including outreach, education, administration, and implementation of grants for suicide prevention activities for the biennium beginning July 1, 2011, and ending June 30, 2013. The Indian affairs commission shall report to the appropriations committees of the sixty-third legislative assembly on the use of the funding provided for this program in the operating expenses line item in section 1 of this Act, including statistics on the effectiveness of the program, for the biennium beginning July 1, 2011, and ending June 30, 2013.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 6

HOUSE BILL NO. 1006

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 North Dakota aeronautics commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$887,234	\$118,405	\$1,005,639
Operating expenses	1,841,432	416,617	2,258,049
Capital assets	400,000	380,000	780,000
Grants	<u>9,790,000</u>	<u>(750,000)</u>	<u>9,040,000</u>
Total all funds	\$12,918,666	\$165,022	\$13,083,688
Less estimated income	<u>12,368,666</u>	<u>165,022</u>	<u>12,533,688</u>
Total general fund	\$550,000	\$0	\$550,000
Full-time equivalent positions	6.00	0.00	6.00

SECTION 2. LIMITED DEPLOYMENT-COOPERATIVE AIRSPACE PROJECT. The aeronautics commission may use federal or special funds appropriated in section 1 of this Act to support the limited deployment-cooperative airspace project involving ADS-B navigational system general aviation equipment.

SECTION 3. EMERGENCY. The sum of \$450,000 from special funds for aircraft replacement included in the capital assets line item in section 1 of this Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 7

HOUSE BILL NO. 1007

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to a memorial fund; and to provide for legislative management studies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 veterans' home and department of veterans' affairs for the purpose of defraying the expenses of the veterans' home and department of veterans' affairs, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

VETERANS' HOME

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,538,855	\$2,378,006	\$13,916,861
Operating expenses	4,561,857	1,380,428	5,942,285
Capital assets	259,906	445,594	705,500
New veterans' home	<u>2,043,264</u>	<u>(1,711,264)</u>	<u>332,000</u>
Total all funds	\$18,403,882	\$2,492,764	\$20,896,646
Less estimated income	<u>13,677,293</u>	<u>1,666,030</u>	<u>15,343,323</u>
Total general fund	<u>\$4,726,589</u>	<u>\$826,734</u>	<u>\$5,553,323</u>
Full-time equivalent positions	120.72	0.00	120.72

Subdivision 2.

VETERANS' AFFAIRS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	<u>\$1,031,487</u>	<u>\$105,732</u>	<u>\$1,137,219</u>
Total general fund	\$1,031,487	\$105,732	\$1,137,219
Full-time equivalent positions	7.00	0.00	7.00

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$5,758,076	\$932,466	\$6,690,542
Grand total special funds	<u>13,677,293</u>	<u>1,631,030</u>	<u>15,308,323</u>
Grand total all funds	\$19,435,369	\$2,563,496	\$21,998,865
Full-time equivalent positions	127.72	0.00	127.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Veterans' home		
Electronic health record system	\$98,400	\$0
Construction project manager	90,088	0
General fund salary funding of new facility positions	502,240	0
Veterans' home building	7,944,991	0
Exterior finishings - New building	350,000	0
Geothermal heating - New building	3,039,414	0
Federal fiscal stimulus	3,158,005	0
Department of veterans' affairs		
Discharge project	0	22,000
Website	<u>0</u>	<u>15,593</u>
Total all funds	\$15,183,138	\$37,593
Less estimated income	<u>3,158,005</u>	<u>0</u>
Total general fund	\$12,025,133	\$37,593

The 2011-13 one-time funding amounts are not a part of the agencies' base budget for the 2013-15 biennium. The veterans' home and department of veterans' affairs shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. A new section to chapter 37-15 of the North Dakota Century Code is created and enacted as follows:

Melvin Norgard memorial fund - Creation.

There is created in the state treasury the Melvin Norgard memorial fund. All income related to a bequest made to the veterans' home by Melvin Norgard, including mineral lease income, royalties, and sale proceeds, must be transferred or deposited into the Melvin Norgard memorial fund. Notwithstanding any other provision of law, the state treasurer shall invest moneys in the fund in accordance with section 21-10-07. Investment income of the fund must be retained in the fund. Moneys in the fund are available, subject to legislative appropriations, for projects and programs to benefit and serve the residents of the veterans' home. The legislative assembly shall consider recommendations of the governing board of the veterans' home when determining appropriations from this fund for projects and programs to benefit and serve the residents of the veterans' home.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - DISPOSITION OF THE OLD VETERANS' HOME FACILITY. During the 2011-12 interim, the legislative management shall consider studying all available options, including demolition, for the disposition of the old veterans' home facility. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY - DELIVERY OF SERVICES TO VETERANS. During the 2011-12 interim, the legislative management shall consider studying the delivery of services to veterans, including the consistency in training and of the provision of services by county veterans' service officers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

Approved May 5, 2011

Filed May 5, 2011

CHAPTER 8

HOUSE BILL NO. 1008

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of financial institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,762,225	\$594,630	\$5,356,855
Operating expenses	1,304,263	155,200	1,459,463
Contingency	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total special funds	\$6,086,488	\$749,830	\$6,836,318
Full-time equivalent positions	29.00	0.00	29.00

Approved April 4, 2011

Filed April 4, 2011

CHAPTER 9

HOUSE BILL NO. 1009

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state fair association; and to create and enact a new section to chapter 4-02.1 of the North Dakota Century Code, relating to the naming of the state fair grandstand.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$210,000	\$0	\$210,000
Premiums	487,150	32,850	520,000
Total general fund	\$697,150	\$32,850	\$730,000

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Grandstand construction	\$18,000,000	\$0
Total all funds	\$18,000,000	\$0
Total special funds	3,000,000	0
Total general fund	\$15,000,000	\$0

SECTION 3. A new section to chapter 4-02.1 of the North Dakota Century Code is created and enacted as follows:

The Iverson grandstand.

The grandstand constructed by the state fair association on the state fairgrounds during the 2009-11 biennium is designated the Iverson grandstand.

Approved April 8, 2011
Filed April 11, 2011

CHAPTER 10

HOUSE BILL NO. 1010

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$692,447	\$49,133	\$741,580
Operating expenses	292,045	(16,470)	275,575
Grants	<u>1,772,278</u>	<u>429,029</u>	<u>2,201,307</u>
Total all funds	\$2,756,770	\$461,692	\$3,218,462
Less estimated income	<u>1,445,486</u>	<u>409,374</u>	<u>1,854,860</u>
Total general fund	\$1,311,284	\$52,318	\$1,363,602
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Grants	\$57,450	\$0
Federal fiscal stimulus - 2009	<u>290,000</u>	<u>0</u>
Total all funds	\$347,450	\$0
Less estimated income	<u>290,000</u>	<u>0</u>
Total general fund	\$57,450	\$0

SECTION 3. APPROPRIATION. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2011, and ending June 30, 2013.

Approved April 19, 2011
Filed April 19, 2011

CHAPTER 11

HOUSE BILL NO. 1011

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,926,419	\$233,423	\$3,159,842
Field operations	37,198,354	4,007,915	41,206,269
Law enforcement training academy	<u>1,496,942</u>	<u>105,546</u>	<u>1,602,488</u>
Total all funds	\$41,621,715	\$4,346,884	\$45,968,599
Less estimated income	<u>10,893,730</u>	<u>631,595</u>	<u>11,525,325</u>
Total general fund	\$30,727,985	\$3,715,289	\$34,443,274
Full-time equivalent positions	194.00	0.00	194.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Capital security upgrade	\$80,000	\$0
Commercial vehicle information exchange window system	100,000	0
Weigh station repairs	100,000	0
Digital radio equipment upgrade	0	<u>1,237,000</u>
Total all funds	\$280,000	\$1,237,000
Total special funds	0	<u>161,000</u>
Total general fund	\$280,000	\$1,076,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The highway patrol shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$5,025,762, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred

at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2011, and ending June 30, 2013. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY - HIGHWAY PATROL TRAINING ACADEMY. During the 2011-12 interim, the legislative management shall consider studying the feasibility and desirability of relocating the highway patrol training academy or portions of the training academy. The study, if conducted, must review options for relocating the training academy, options for relocating the emergency operations vehicle training course, and options for constructing a highway patrol shooting range. The legislative management shall report its findings and recommendations, together with any legislation needed to implement the recommendations, to the sixty-third legislative assembly.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 12

HOUSE BILL NO. 1012

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to repeal section 2 of chapter 573 of the 2009 Session Laws, relating to highway-rail grade safety projects; to provide for transfers; to provide for borrowing authority; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$147,373,254	\$18,593,142	\$165,966,396
Operating expenses	188,805,014	15,285,236	204,090,250
Capital assets	661,988,548	281,541,283	943,529,831
County and township road reconstruction program	0	142,000,000	142,000,000
Grants	69,766,101	(1,998,694)	67,767,407
Federal stimulus funds	<u>0</u>	<u>24,119,575</u>	<u>24,119,575</u>
Total all funds	\$1,067,932,917	\$479,540,542	\$1,547,473,459
Less estimated income	<u>1,067,932,917</u>	<u>473,690,542</u>	<u>1,541,623,459</u>
Total general fund	\$0	\$5,850,000	\$5,850,000
Full-time equivalent positions	1,054.50	9.00	1,063.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	\$176,082,671	\$24,119,575
Devils Lake area highway project	4,600,000	5,850,000
Extraordinary state highway maintenance	0	228,600,000
County and township road reconstruction	<u>0</u>	<u>142,000,000</u>
Total all funds	\$180,682,671	\$400,569,575
Total special funds	<u>176,082,671</u>	<u>394,719,575</u>
Total general fund	\$4,600,000	\$5,850,000

The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15 biennium. The department of transportation shall report to the appropriations committees of the sixty-third legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION - TRANSFER - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS. There is appropriated out of any moneys in the highway-rail grade crossing safety fund in the state treasury, not otherwise appropriated, the sum of \$1,431,000, or so much of the sum as may be necessary, to the department of transportation for the funding of grants for highway-rail grade crossing safety projects, including grants for the reduction of associated special assessments, for the biennium beginning July 1, 2011, and ending June 30, 2013. On June 30, 2013, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade safety projects fund to the highway tax distribution fund.

Up to \$1,201,000 of funds provided under this section may be used by the department of transportation for highway-rail grade crossing safety projects approved by the department and for which funding was obligated during the biennium beginning July 1, 2009, and ending June 30, 2011.

Up to \$230,000 of funds provided under this section may be used by the department of transportation for additional highway-rail grade crossing safety project grants subject to the following requirements:

1. A political subdivision seeking a grant shall file an application with the department of transportation.
2. A political subdivision grant applicant shall provide ten percent matching funds for the project costs but no local matching funds are required for a highway-rail grade crossing on a state highway.
3. Grant funds may be allocated for development of railroad quiet zones, installation or upgrading of active warning devices, resurfacing crossings, building of grade separations, and other costs associated with these improvements.
4. An applicant for grant approval for development of a railroad quiet zone shall provide the department of transportation a copy of the notice of intent filed with the federal railroad administration regarding establishment of a proposed quiet zone and copies of any subsequent filings with or orders from the federal railroad administration relating to the notice of intent.
5. Grants provided to a city may not exceed a cumulative amount of \$80,000.

SECTION 4. APPROPRIATION - BORROWING AUTHORITY - ADDITIONAL EMERGENCY RELIEF PROGRAM. The department of transportation may borrow the sum of \$120,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the purpose of providing funding for emergency relief projects on the state highway system, for the period beginning with the effective date of this Act and ending June 30, 2013. Any funding borrowed from the Bank of North Dakota under this section is appropriated to the department of transportation for emergency relief projects on the state highway system. Funding appropriated under this section is considered one-time funding and is not to be considered a part of the department's 2013-15 base budget request. Any federal funding received for projects receiving

funding under this section must be used to repay the loan from the Bank of North Dakota.

SECTION 5. APPROPRIATION - STATE TREASURER - 2009-11 BIENNIUM TRANSPORTATION FUNDING DISTRIBUTIONS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$35,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2011. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section prior to June 30, 2011, as follows:

1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.

For purposes of this section, a "non-oil-producing county" means a county that did not receive an allocation of funding under section 57-51-15 during state fiscal year 2010 or a county that received a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 2010.

SECTION 6. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM TRANSPORTATION FUNDING DISTRIBUTIONS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the biennium beginning July 1, 2011, and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.

For purposes of this section, a "non-oil-producing county" means a county that did not receive an allocation of funding under section 57-51-15 during state fiscal year 2011 or a county that received a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year 2011.

SECTION 7. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$370,600,000, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating expenses, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall

notify the office of management and budget of any transfers made pursuant to this section.

SECTION 9. REPEAL. Section 2 of chapter 573 of the 2009 Session Laws is repealed.

SECTION 10. COUNTY AND TOWNSHIP ROAD RECONSTRUCTION PROGRAM.

1. The sum of \$142,000,000, or so much of the sum as may be necessary, included in the county and township road reconstruction program line item in section 1 of this Act, must be used to rehabilitate or reconstruct county and township paved and unpaved roads.
 - a. Funding allocations to counties are to be made by the department of transportation based on the needs assessment study conducted by the upper great plains transportation institute, titled "Additional Road Investments Needed to Support Oil and Gas Production and Distribution in North Dakota", dated December 9, 2010.
 - b. Counties identified in the study are eligible for this funding.
2. Each county requesting funding under this section for county or township roads shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request shall include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads within the county.
 - b. The plan shall be based on the upper great plains transportation institute study, actual road conditions, and integration with state highway and other county road projects.
 - c. Funds shall not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding included in the county and township road reconstruction program line item in section 1 of this Act may be used for:
 - a. Ninety percent of the cost of the approved paved roadway projects not to exceed the funding available for that county.
 - b. Twenty-five percent of the cost of the approved unpaved roadway projects not to exceed the funding available for that county.
 - c. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township road rehabilitation and reconstruction projects.

7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding included in the county and township road reconstruction line item in section 1 of this Act may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 11. EXTRAORDINARY STATE HIGHWAY MAINTENANCE. The funding included in the capital assets line item in section 1 of this Act relating to extraordinary state highway maintenance may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 12. FARGO DISTRICT OFFICE LOCATION - EXEMPTION. The sum of \$800,000 included in the capital assets line item of section 1 of this Act is for the construction of an equipment storage facility at the Fargo district office location which may only be used pursuant to the provisions of this section.

Notwithstanding sections 54-01-05.2 and 54-01-05.5, the department of transportation shall offer for sale the entire parcel of land, including buildings, owned by the department of transportation at the Fargo district office location which is at 503 38th street south in the city of Fargo. In consideration for the property, the buyer must provide the department of transportation with an alternative parcel of land in fee simple to be used as a new location for the Fargo district office. The parcel of land must be located within the interstate storm gates of the cities of Fargo and West Fargo, be of suitable size and condition for operations of the Fargo district office, and be readily accessible to the interstate system. In consideration for the department of transportation property, the buyer shall construct or otherwise provide the buildings necessary for the operations of the Fargo district office. If requested, the director of the department of transportation shall provide potential buyers with general land and building requirements necessary for the operations of the Fargo district office. The director of the department of transportation shall have the authority to determine whether the location and buildings adequately address the operations needs of the Fargo district office. The property shall remain open to buyers until May 1, 2012. The department of transportation may proceed with the construction of the equipment storage building at the current Fargo district office location if an offer is not accepted by the department of transportation by May 1, 2012.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY AIRPLANES. During the 2011-12 interim, the legislative management shall consider studying the use of state-owned airplanes. The study, if conducted, must include a review of airplanes owned by state agencies, the justification for each airplane, the frequency of use of each airplane, options for purchasing or leasing new airplanes, and the feasibility and desirability of requiring state airplanes to be managed by state fleet services. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 14. EMERGENCY. Funding of \$228,600,000 in the capital assets line item relating to extraordinary state highway maintenance and \$142,000,000 in the county and township road reconstruction line item in section 1 of this Act and sections 4, 5, 10, and 12 of this Act are declared to be an emergency measure.

Approved April 18, 2011
Filed April 18, 2011

CHAPTER 13

HOUSE BILL NO. 1013

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; to amend and reenact sections 15-01-02, 57-51-15, 57-62-03, 57-62-03.1, 57-62-04, 57-62-05, and 57-62-06 of the North Dakota Century Code, relating to the powers of the board of university and school lands, the duties of the commissioner of university and school lands, the apportionment of oil and gas gross production tax proceeds, the energy development impact office, and the duties of the energy development impact director; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,214,850	\$930,974	\$4,145,824
Operating expenses	739,952	691,144	1,431,096
Capital assets	10,000	0	10,000
Grants	9,777,759	90,000,510	99,778,269
Contingencies	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>
Total special funds	\$13,792,561	\$91,672,628	\$105,465,189
Full-time equivalent positions	21.75	3.00	24.75

SECTION 2. ENERGY INFRASTRUCTURE AND IMPACT GRANTS - EXEMPTION. Section 54-44.1-11 does not apply to appropriations made for energy infrastructure and impact grants in section 1 of this Act.

SECTION 3. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the board of university and school lands, the commissioner of university and school lands may transfer between the various line items in section 1 of this Act, including transfers from the contingencies line to all other line items. The commissioner shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 4. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to section 1 of article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2011, and ending June 30, 2013, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common schools	\$92,514,000
North Dakota state university	1,424,000

University of North Dakota	1,310,000
Youth correctional center	528,000
School for the deaf	454,000
State college of science	523,429
State hospital	603,429
Veterans' home	279,429
Valley City state university	286,000
North Dakota vision services - school for the blind	247,429
Mayville state university	184,000
Dakota college at Bottineau	31,429
Dickinson state university	31,429
Minot state university	31,429
Total	\$98,448,003

SECTION 5. AMENDMENT. Section 15-01-02 of the North Dakota Century Code is amended and reenacted as follows:

15-01-02. Powers - Control of public lands and permanent funds.

The board has:

1. Full control of the selection, appraisalment, rental, sale, disposal, and management of:
 - a. Lands donated or granted by or received from the United States or from any other source for the support and maintenance of the common schools.
 - b. All lands which fall to the state by escheat.
 - c. All lands donated or granted by or received from the United States or from any other source for the maintenance of the educational, penal, or charitable institutions.
 - d. All lands acquired by the state through the investment of the permanent school funds of the state as the result of mortgage foreclosure or otherwise.
2. Full control of the investment of the permanent funds derived from the sale of any of the lands described in subsection 1.
3. Full control of such percent of the proceeds of any sale of public lands as may be granted to the state by the United States on such sale.
4. Full control of the proceeds of any property that fall to the state by escheat and of the proceeds of all gifts and donations to the state for the support or maintenance of the common schools, and of all other property otherwise acquired by the state for the maintenance of the common schools. Any gift to the state not specifically appropriated to any other purpose must be considered as a gift for the support and maintenance of the common schools.
5. Authority to expend moneys for the purpose of making refunds in cases in which an error has been made by the board, or a person dealing with the board, with regard to any of the lands, minerals, funds, proceeds, or any other kind of property managed by the board. Moneys expended to make refunds must come from the same fund or account into which the money to be refunded was originally placed.

6. Authority to award and distribute energy infrastructure and impact grants from moneys deposited in the oil and gas impact grant fund, except that grants awarded annually may not exceed sixty percent of the biennial appropriation for energy infrastructure and impact grants. The board may create an advisory committee to assist the board in making its grant award determinations.

² **SECTION 6. AMENDMENT.** Section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

57-51-15. Apportionment and use of proceeds of tax.

The gross production tax provided for in this chapter must be apportioned as follows:

1. First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the state treasurer who shall:
 - a. Credit ~~thirty-three and one-third percent of the revenues~~ to the oil and gas impact grant fund, but not in an amount exceeding ~~eight~~ one hundred million dollars per biennium;
 - b. Allocate five hundred thousand dollars per fiscal year to each city in an oil-producing county which has a population of seven thousand five hundred or more and more than two percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota. The allocation under this subdivision must be doubled if the city has more than seven and one-half percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota; and
 - c. Credit the remaining revenues to the state general fund.
2. After deduction of the amount provided in subsection 1, annual revenue collected under this chapter from oil and gas produced in each county must be allocated as follows:
 - a. The first two million dollars must be allocated to the county.
 - b. The next one million dollars must be allocated seventy-five percent to the county and twenty-five percent to the state general fund.
 - c. The next one million dollars must be allocated fifty percent to the county and fifty percent to the state general fund.
 - d. The next fourteen million dollars must be allocated twenty-five percent to the county and seventy-five percent to the state general fund.
 - e. All annual revenue remaining after the allocation in subdivision d must be allocated ten percent to the county and ninety percent to the state general fund.

² Section 57-51-15 was also amended by section 1 of Senate Bill No. 2129, chapter 484, and section 1 of House Bill No. 1077, chapter 485.

3. The amount to which each county is entitled under subsection 2 must be allocated within the county so the first five million three hundred fifty thousand dollars is allocated under subsection 4 for each fiscal year and any amount received by a county exceeding five million three hundred fifty thousand dollars is credited by the county treasurer to the county infrastructure fund and allocated under subsection 5.
4.
 - a. Forty-five percent of all revenues allocated to any county for allocation under this subsection must be credited by the county treasurer to the county general fund. However, the allocation to a county under this subdivision must be credited to the state general fund if during that fiscal year the county does not levy a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal-aid road, and county road purposes.
 - b. Thirty-five percent of all revenues allocated to any county for allocation under this subsection must be apportioned by the county treasurer no less than quarterly to school districts within the county on the average daily attendance distribution basis, as certified to the county treasurer by the county superintendent of schools. However, no school district may receive in any single academic year an amount under this subsection greater than the county average per student cost multiplied by seventy percent, then multiplied by the number of students in average daily attendance or the number of children of school age in the school census for the county, whichever is greater. Provided, however, that in any county in which the average daily attendance or the school census, whichever is greater, is fewer than four hundred, the county is entitled to one hundred twenty percent of the county average per student cost multiplied by the number of students in average daily attendance or the number of children of school age in the school census for the county, whichever is greater. Once this level has been reached through distributions under this subsection, all excess funds to which the school district would be entitled as part of its thirty-five percent share must be deposited instead in the county general fund. The county superintendent of schools of each oil-producing county shall certify to the county treasurer by July first of each year the amount to which each school district is limited pursuant to this subsection. As used in this subsection, "average daily attendance" means the average daily attendance for the school year immediately preceding the certification by the county superintendent of schools required by this subsection.

The countywide allocation to school districts under this subdivision is subject to the following:

- (1) The first three hundred fifty thousand dollars is apportioned entirely among school districts in the county.
- (2) The next three hundred fifty thousand dollars is apportioned seventy-five percent among school districts in the county and twenty-five percent to the county infrastructure fund.
- (3) The next two hundred sixty-two thousand five hundred dollars is apportioned two-thirds among school districts in the county and one-third to the county infrastructure fund.

- (4) The next one hundred seventy-five thousand dollars is apportioned fifty percent among school districts in the county and fifty percent to the county infrastructure fund.
 - (5) Any remaining amount is apportioned to the county infrastructure fund except from that remaining amount the following amounts are apportioned among school districts in the county:
 - (a) Four hundred ninety thousand dollars, for counties having a population of three thousand or fewer.
 - (b) Five hundred sixty thousand dollars, for counties having a population of more than three thousand and fewer than six thousand.
 - (c) Seven hundred thirty-five thousand dollars, for counties having a population of six thousand or more.
- c. Twenty percent of all revenues allocated to any county for allocation under this subsection must be apportioned no less than quarterly by the state treasurer to the incorporated cities of the county. Apportionment among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. A city may not receive an allocation for a fiscal year under this subsection and subsection 5 which totals more than seven hundred fifty dollars per capita. Once this level has been reached through distributions under this subsection, all excess funds to which any city would be entitled except for this limitation must be deposited instead in that county's general fund. In determining the population of any city in which total employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent. If a city receives a direct allocation under subsection 1, the allocation to that city under this subsection is limited to sixty percent of the amount otherwise determined for that city under this subsection and the amount exceeding this limitation must be reallocated among the other cities in the county.
5. a. Forty-five percent of all revenues allocated to a county infrastructure fund under subsections 3 and 4 must be credited by the county treasurer to the county general fund. However, the allocation to a county under this subdivision must be credited to the state general fund if during that fiscal year the county does not levy a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal-aid road, and county road purposes.
 - b. Thirty-five percent of all revenues allocated to the county infrastructure fund under subsections 3 and 4 must be allocated by the board of county commissioners to or for the benefit of townships in the county on the basis of applications by townships for funding to offset oil and gas development impact to township roads or other infrastructure needs or applications by school districts for repair or replacement of school district vehicles necessitated by damage or deterioration attributable to travel on oil and gas development-impacted roads. An organized township is not eligible for an allocation of funds under this subdivision unless during that fiscal year that township levies at least ten mills for township purposes. For

unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this subdivision to offset oil and gas development impact to township roads or other infrastructure needs in those townships. The amount deposited during each calendar year in the county infrastructure fund which is designated for allocation under this subdivision and which is unexpended and unobligated at the end of the calendar year must be transferred by the county treasurer to the county road and bridge fund for use on county road and bridge projects.

- c. Twenty percent of all revenues allocated to any county infrastructure fund under subsections 3 and 4 must be allocated by the county treasurer no less than quarterly to the incorporated cities of the county. Apportionment among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. A city may not receive an allocation for a fiscal year under this subsection and subsection 4 which totals more than seven hundred fifty dollars per capita. Once this per capita limitation has been reached, all excess funds to which a city would otherwise be entitled must be deposited instead in that county's general fund. If a city receives a direct allocation under subsection 1, the allocation to that city under this subsection is limited to sixty percent of the amount otherwise determined for that city under this subsection and the amount exceeding this limitation must be reallocated among the other cities in the county.
6. Within sixty days after the end of each fiscal year, the board of county commissioners of each county that has received an allocation under this section shall file a report for the fiscal year with the tax commissioner, in a format prescribed by the tax commissioner, showing:
 - a. The amount received by the county in its own behalf, the amount of those funds expended for each purpose to which funds were devoted, and the share of county property tax revenue expended for each of those purposes, and the amount of those funds unexpended at the end of the fiscal year; and
 - b. The amount available in the county infrastructure fund for allocation to or for the benefit of townships or school districts, the amount allocated to each organized township or school district and the amount expended from each such allocation by that township or school district, the amount expended by the board of county commissioners on behalf of each unorganized township for which an expenditure was made, and the amount available for allocation to or for the benefit of townships or school districts which remained unexpended at the end of the fiscal year.

Within sixty days after the time when reports under this subsection were due, the tax commissioner shall provide a report to the legislative council compiling the information from reports received under this subsection.

In developing the format for reports under this subsection, the tax commissioner shall consult the energy development, infrastructure and impact office and at least two county auditors from oil-producing counties.

SECTION 7. AMENDMENT. Section 57-62-03 of the North Dakota Century Code is amended and reenacted as follows:

57-62-03. Loans - Terms and conditions - Repayment.

The board of university and school lands is authorized to make loans to coal development-impacted counties, cities, and school districts before or after the beginning of actual coal mining from moneys deposited in the coal development trust fund established by subsection 2 of section 57-62-02. Loans made prior to actual mining must be preceded by site permitting and by beginning actual construction of the mine or its mine mouth facility. Loans may be made for any purpose for which a grant may be made pursuant to this chapter, but before making any loan the board of university and school lands shall receive the recommendation of the energy development infrastructure and impact office. The board of university and school lands shall prescribe the terms and conditions of such loans within the provisions of this chapter and shall require a warrant executed by the governing body of the county, city, or school district as evidence of such loan. The warrants must bear interest at a rate not to exceed six percent. The warrants shall be payable only from the allocations of moneys from the coal development fund to the borrowing county, city, or school district and shall not constitute a general obligation of the county, city, or school district nor may such loans be considered as indebtedness of the county, city, or school district. Loans made in advance of actual coal mining must provide that repayment is to begin when the borrowing county, city, or school district receives allocations from the coal development fund. The terms of the loan must provide that not less than ten percent of each allocation made to the borrowing county, city, or school district pursuant to this chapter must be withheld by the state treasurer to repay the principal of the warrants and the interest thereon. The amount withheld by the state treasurer as payment of interest must be deposited in the general fund and the amount withheld by the state treasurer as payment of principal must be remitted to the board of university and school lands and deposited by the board in the trust fund provided for in subsection 2 of section 57-62-02. The warrants executed by the county, city, or school district have all of the qualities and incidents of negotiable paper and are not subject to taxation by the state of North Dakota or by any political subdivision thereof.

The board of university and school lands is authorized to sell such warrants to other parties and the proceeds of such sale which constitute principal must be deposited in the coal development trust fund and that which constitutes interest in the general fund. If the future allocations of moneys to the borrowing county, city, or school district should, for any reason, permanently cease, the loan shall be canceled except that if the county, city, or school district is merged with another county, city, or school district which receives an allocation of moneys from the coal development fund, the surviving county, city, or school district is obligated to repay the loan from such allocation. If the loan is canceled due to the permanent cessation of allocations of moneys to the county, city, or school district pursuant to this chapter, the board of university and school lands shall cancel those warrants it holds from such county, city, or school district and shall pay from any moneys in the trust fund provided for in subsection 2 of section 57-62-02 the principal and interest, as it becomes due, on those warrants of the county, city, or school district which are held by another party.

SECTION 8. AMENDMENT. Section 57-62-03.1 of the North Dakota Century Code is amended and reenacted as follows:

57-62-03.1. Oil and gas impact grant fund –Continuing appropriation.

The moneys accumulated in the oil and gas impact grant fund must be allocated as provided by law and as appropriated by the legislative assembly for distribution through grants by the energy development infrastructure and impact office to oil and gas development-impacted cities, counties, school districts, and other taxing districts

or for industrial commission enforcement of laws and rules relating to geophysical exploration in this state. ~~The amounts deposited in the oil and gas impact grant fund under subsection 1 of section 57-51-15 are appropriated as a standing and continuing appropriation to the energy development impact office for grants as provided in this section.~~

SECTION 9. AMENDMENT. Section 57-62-04 of the North Dakota Century Code is amended and reenacted as follows:

57-62-04. Energy ~~development~~infrastructure and impact office - Appointment of director.

There is hereby created an energy ~~development~~infrastructure and impact office, to be a division within the office of the commissioner of the board of university and school lands, the director of which must be appointed by and serve at the pleasure of the board of university and school lands. The director shall have knowledge of state and local government and shall have experience or training in the fields of taxation and accounting. The salary of the director must be set by the commissioner of university and school lands within the limits of legislative appropriations. The director may employ such other persons as may be necessary and may fix their compensation within the appropriation made for such purpose. The board of university and school lands shall fill any vacancy in the position of director in the same manner as listed above and, in addition, shall serve as an appeals board under rules promulgated by the board of university and school lands to reconsider grant applications for aid under this chapter which have been denied by the director. All action by the board of university and school lands, including appointment of a director, must be by majority vote.

SECTION 10. AMENDMENT. Section 57-62-05 of the North Dakota Century Code is amended and reenacted as follows:

57-62-05. Powers and duties of energy ~~development~~infrastructure and impact office director.

The energy ~~development~~infrastructure and impact office director shall:

1. Develop a plan for the assistance, through financial grants for services and facilities, of counties, cities, school districts, and other political subdivisions in coal development and oil and gas development impact areas.
2. Establish procedures and provide proper forms to political subdivisions for use in making application for funds for impact assistance as provided in this chapter.
3. Make grants disbursements to counties, cities, school districts, and other taxing districts for grants awarded by the board of university and school lands pursuant to chapter 15-01, as provided in this chapter and within the appropriations made for such purposes. In determining the amount of impact grants for which political subdivisions are eligible, the amount of revenue to which such political subdivisions will be entitled from taxes upon the real property of coal and oil and gas development plants and from other tax or fund distribution formulas provided by law must be considered.
4. Receive and review applications for impact assistance pursuant to this chapter.

5. Make recommendations, not less than once each calendar quarter, to the board of university and school lands on grants to counties, cities, school districts, and other political subdivisions in oil and gas development impact areas based on identified needs, and other sources of revenue available to the political subdivision.
6. Make recommendations to the board of university and school lands providing for the distribution of thirty-five percent of moneys available in the oil and gas impact fund to incorporated cities with a population of ten thousand or more, based on the most recent official decennial federal census, that are impacted by oil and gas development. The director may not recommend that an incorporated city receive more than sixty percent of the funds available under this subsection.
7. Make recommendations to the board of university and school lands providing for the distribution of sixty-five percent of moneys available in the oil and gas impact fund to cities not otherwise eligible for funding under this section, counties, school districts, and other political subdivisions impacted by oil and gas development.

SECTION 11. AMENDMENT. Section 57-62-06 of the North Dakota Century Code is amended and reenacted as follows:

57-62-06. Legislative intent and guidelines on impact grants.

The legislative assembly intends that the moneys appropriated to, and distributed by, the energy ~~development~~infrastructure and impact office for grants are to be used by grantees to meet initial impacts affecting basic governmental services, and directly necessitated by coal development and oil and gas development impact. As used in this section, "basic governmental services" do not include activities relating to marriage or guidance counseling, services or programs to alleviate other sociological impacts, or services or facilities to meet secondary impacts. All grant applications and presentations to the energy ~~development~~infrastructure and impact office must be made by an appointed or elected government official.

SECTION 12. EMERGENCY. Sections 5, 7, 8, 9, 10, and 11 of this Act are declared to be an emergency measure.

Approved April 19, 2011
Filed April 19, 2011

CHAPTER 14

HOUSE BILL NO. 1014

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide legislative intent; to provide for a legislative management study; to provide an appropriation; to provide a contingent appropriation; to authorize transfers; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	0	1,500,000	1,500,000
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155

Full-time equivalent positions	176.50	0.00	176.50
Subdivision 3.			

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	<u>174,516,769</u>	<u>5,509,037</u>	<u>180,025,806</u>
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the

one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the grand total appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	\$30,360,574	\$0
Biofuels partnership in assisting community expansion	700,000	0
State facility lignite feasibility demonstration project	400,000	0
Ag PACE disaster program	1,000,000	0
Recruitment/retention bonuses	185,000	0
Renewable energy development program	3,000,000	1,500,000
Temporary employees - Core library	0	90,000
Carbon dioxide storage facility administrative fund	0	532,000
Coalbed methane/shallow gas studies	31,152	25,000
Fracturing sand and proppant studies	62,000	50,000
Oil-bearing rock study	0	40,000
Paleontologic preparatory work	<u>0</u>	<u>62,400</u>
Total all funds	\$35,738,726	\$2,299,400
Total special funds	<u>30,360,574</u>	<u>0</u>
Total general fund	\$5,378,152	\$2,299,400

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The industrial commission shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$25,389,733 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2011, and ending June 30, 2013:

North Dakota university system	\$12,254,770
North Dakota university system - Energy conservation projects	929,789
Department of corrections and rehabilitation	1,337,752
Department of corrections and rehabilitation - Energy conservation projects	18,604
State department of health	672,898
Job service North Dakota	710,735
Adjutant general	70,225
Information technology department - ConnectND	5,406,666
Office of management and budget	665,143
Office of the attorney general	765,704
State historical society	1,392,069
Parks and recreation	73,613
Research and extension service	571,290
Veterans' home	<u>520,475</u>
Total	\$25,389,733

SECTION 4. LEGISLATIVE INTENT - LAND PURCHASE. It is the intent of the sixty-second legislative assembly that to the best of its ability the Bank of North Dakota ensure that properties adjacent to Bank of North Dakota property northwest of west street are developed for uses that are consistent with the mission and purpose of the Bank of North Dakota.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY. During the 2011-12 interim, the legislative management shall consider studying primacy in the administration of federal environmental protection agency regulations.

SECTION 6. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the state industrial commission for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING - PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL. Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the permanent oil tax trust fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 9. TRANSFER. The sum of \$488,211, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 10. APPROPRIATION - TRANSFER. The funds appropriated in subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in assisting community expansion fund; the agriculture partnership in assisting community expansion fund; the beginning farmer revolving loan fund; and the biofuels partnership in assisting community expansion fund. The Bank of North Dakota may not be construed to be a general fund agency because of the appropriation made by subsection 3 of section 1 of this Act.

SECTION 11. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$1,500,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line item in subdivision 1 of section 1 of this Act, is appropriated from the lignite research fund for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects,

activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 12. LEGISLATIVE INTENT - CORE LIBRARY HOUSING. It is the intent of the sixty-second legislative assembly that the industrial commission not construct a new building for the expansion for the core library. If the existing location of the core library does not have sufficient space, the industrial commission may relocate parts or all of the library to an existing state-owned facility.

SECTION 13. CARBON DIOXIDE STORAGE FACILITY ADMINISTRATIVE FUND - USE OF FUNDING. The carbon dioxide storage facility administrative fund line item in subdivision 1 of section 1 of this Act includes \$532,000 from the general fund that the industrial commission may deposit in its carbon dioxide storage facility administrative fund for the purpose of hiring one full-time equivalent position for up to three years until fee income is sufficient to provide funding for the administration of the provisions of chapter 38-22. The industrial commission shall use this funding to provide a timely response to the environmental protection agency's rules relating to carbon dioxide sequestration and develop a coordinated response from state agencies with the goal of the state of North Dakota having class VI primacy for carbon dioxide storage in North Dakota.

SECTION 14. EMERGENCY. Section 13 and the related funding included in subdivision 1 of section 1 of this Act are declared to be an emergency measure.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 15

HOUSE BILL NO. 1015

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for a report to the budget section; to provide for borrowing authority; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$143,087,868	\$19,399,630	\$162,487,498
Youth services	<u>25,506,831</u>	<u>2,077,740</u>	<u>27,584,571</u>
Total all funds	\$168,594,699	\$21,477,370	\$190,072,069
Less estimated income	<u>25,937,693</u>	<u>4,568,457</u>	<u>30,506,150</u>
Total general fund	\$142,657,006	\$16,908,913	\$159,565,919
Full-time equivalent positions	735.29	59.00	794.29

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Deferred maintenance	\$1,372,519	\$0
Federal fiscal stimulus - 2009	1,039,856	0
Equipment	595,500	437,300
Capital projects	64,000,000	617,968
Extraordinary repairs	<u>0</u>	<u>741,490</u>
Total all funds	\$67,007,875	\$1,796,758
Less estimated income	<u>45,574,052</u>	<u>0</u>
Total general fund	\$21,433,823	\$1,796,758

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. BORROWING AUTHORITY - BANK OF NORTH DAKOTA - APPROPRIATION. The department of corrections and rehabilitation may borrow the

sum of \$1,100,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated to the department of corrections and rehabilitation for the purpose of defraying the expenses of the penitentiary expansion project, for the period beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. DEPARTMENT OF CORRECTIONS AND REHABILITATION - HOUSING CONTRACT. The department of corrections and rehabilitation shall contract with an organization to house women inmates sentenced to the department for the biennium beginning July 1, 2011, and ending June 30, 2013. At the conclusion of the 2011-13 biennium, if the agreed-upon contract amount differs from the actual expenditures of the organization for the biennium beginning July 1, 2011, and ending June 30, 2013, the variance must be disclosed and reported to the department of corrections and rehabilitation.

SECTION 5. REPORT TO BUDGET SECTION. The department of corrections and rehabilitation shall, during the 2011-12 interim, report quarterly to the budget section regarding the progress of the prison expansion project. Reports to the budget section must include any amounts borrowed under the provisions of section 3 of this Act and the purpose of the loan.

SECTION 6. LEGISLATIVE INTENT - NEW FULL-TIME EQUIVALENT POSITIONS. It is the intent of the sixty-second legislative assembly that the department of corrections and rehabilitation not fill any of the forty-seven new full-time equivalent positions for the state penitentiary expansion project prior to ninety days before the estimated completion date of the project.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 16

HOUSE BILL NO. 1016

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; and to amend and reenact subsection 3 of section 52-02.1-01 and section 52-08-10 of the North Dakota Century Code, relating to the new jobs training program and workforce training program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$35,566,246	(\$295,662)	\$35,270,584
Operating expenses	11,224,804	2,473,866	13,698,670
Capital assets	20,000	0	20,000
Grants	8,438,220	(861,936)	7,576,284
Workforce 20/20	1,512,491	18,669	1,531,160
Reed Act - Unemployment insurance computer modernization	5,515,586	6,884,414	12,400,000
Federal stimulus funds	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$62,277,347	\$9,719,351	\$71,996,698
Less estimated income	<u>60,711,905</u>	<u>9,404,901</u>	<u>70,116,806</u>
Total general fund	\$1,565,442	\$314,450	\$1,879,892
Full-time equivalent positions	284.05	(22.29)	261.76

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	<u>\$9,092,939</u>	<u>\$1,500,000</u>
Total special funds	\$9,092,939	\$1,500,000

The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-third legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special appropriation of

\$12,400,000 in section 1 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized insurance computer system, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2011, and ending June 30, 2013.

³ **SECTION 5. AMENDMENT.** Subsection 3 of section 52-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Community" means the city or county in which an eligible primary sector business is or will be located or a local development corporation, community organization, institution of higher education that is assigned primary responsibility for workforce training under section 52-08-08, or any other group the interest of which is in the economic growth of the area.

⁴ **SECTION 6. AMENDMENT.** Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. The business plan may include preparation as a community under the new jobs training program under chapter 52-02.1. The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

Approved May 9, 2011
Filed May 9, 2011

³ Section 52-02.1-01 was also amended by section 1 of Senate Bill No. 2056, chapter 376.

⁴ Section 52-08-10 was also amended by section 2 of Senate Bill No. 2056, chapter 376.

CHAPTER 17

HOUSE BILL NO. 1017

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$906,595	\$71,587	\$978,182
Operating expenses	<u>592,117</u>	<u>256,900</u>	<u>849,017</u>
Total special funds	\$1,498,712	\$328,487	\$1,827,199
Full-time equivalent positions	5.00	0.00	5.00

Approved April 11, 2011
Filed April 11, 2011

CHAPTER 18

HOUSE BILL NO. 1019

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,170,030	\$192,944	\$4,362,974
Operating expenses	1,226,606	26,733	1,253,339
Grants	27,200,000	1,825,000	29,025,000
Grants - Postsecondary	357,452	0	357,452
Adult farm management	749,802	0	749,802
Workforce training	<u>3,000,000</u>	<u>0</u>	<u>3,000,000</u>
Total all funds	\$36,703,890	\$2,044,677	\$38,748,567
Less estimated income	<u>10,762,882</u>	<u>4,006</u>	<u>10,766,888</u>
Total general fund appropriation	\$25,941,008	\$2,040,671	\$27,981,679
Full-time equivalent positions	28.50	(1.00)	27.50

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 19

HOUSE BILL NO. 1020

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact section 4-14.2-02 of the North Dakota Century Code, relating to the northern crops council; to provide for transfers; to provide contingent funding; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	837,800	150,000	987,800
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	<u>25,928,877</u>	<u>(2,800,067)</u>	<u>23,128,810</u>
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	<u>1,598,265</u>	<u>56,460</u>	<u>1,654,725</u>
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	<u>21,737,199</u>	<u>413,134</u>	<u>22,150,333</u>
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	<u>0</u>	<u>0</u>	<u>0</u>
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	<u>45,013,267</u>	<u>(879,692)</u>	<u>44,133,575</u>
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	<u>\$1,275,238</u>	<u>\$159,930</u>	<u>\$1,435,168</u>
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	<u>109,469,662</u>	<u>(1,169,470)</u>	<u>108,300,192</u>
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Main research center greenhouse project	\$11,450,400	\$9,494,581
Deferred maintenance pool	450,000	0
Operating pool	925,000	0
Dickinson parking lot and landscaping capital project	350,000	0
Upper great plains transportation institute center for transportation study capital project	3,000,000	0
Beef research facility	2,612,400	0
Grape and wine program committee	250,000	0
Federal fiscal stimulus 2009	700,000	0
North central, Williston, Langdon, and Dickinson renovations/additions	<u>2,937,200</u>	<u>0</u>
Total all funds	\$22,675,000	\$9,494,581
Total other funds	<u>4,975,000</u>	<u>2,502,931</u>
Total general fund	\$17,700,000	\$6,991,650

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The main research center shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. CONTINGENT FUNDING - WILLISTON RESEARCH CENTER DIRECTOR. Of the funds appropriated to the Williston research center in subdivision 5 of section 1 of this Act, \$210,000 from the general fund is contingent and subject to the provisions of this section. If funding for fifty percent of the 2011-13 biennium costs relating to the director position at the Williston research center is not provided by the Montana state university eastern agricultural research center, the Williston research center may spend up to \$210,000 and hire one full-time equivalent director position for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 6. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 2013-15 budget request.

SECTION 7. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. PERMANENT OIL TAX TRUST FUND - DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The estimated income line item in subdivision 5 of section 1 of this Act includes \$800,000 from the permanent oil tax trust fund. This funding is available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 9. AMENDMENT. Section 4-14.2-02 of the North Dakota Century Code is amended and reenacted as follows:

4-14.2-02. Northern crops council - Establishment - Chairman - Meetings - Compensation.

1. The northern crops council is established. The council shall establish policies for the operation of the northern crops institute. The council consists of:
 - a. The president of North Dakota state university of agriculture and applied science or the president's designee.
 - b. A representative selected by the North Dakota wheat commission.
 - c. A representative selected by the North Dakota oilseed council.
 - d. A representative selected by the North Dakota barley council.
 - e. A representative selected by the North Dakota soybean council.
 - f. The agriculture commissioner or the commissioner's designee.
 - g. Five to seven producers of northern crops selected by the members designated in subdivisions a through f.
 - h. Up to four representatives of industries that process northern crops selected by the members designated in subdivisions a through f.
2. a. The term of office for each member of the council, except the president of North Dakota state university of agriculture and applied science and the

agriculture commissioner, is three years, and those members are limited to two 3-year terms. Each term of office begins with the first reorganizational meeting after the date of appointment.

b. Notwithstanding subdivision a, during the 2011-13 biennium, the council shall:

(1) Stagger by lot the terms of the producers of northern crops so that no more than one of the producers' terms expires in June 2013; and

(2) Stagger by lot the terms of the representatives of industries that process northern crops so that no more than one of the representatives' terms expires in June 2013.

3. The chairman of the council must be a member of the council elected annually by a majority vote of the council. Provided, the members designated in subdivisions a and f of subsection 1 are not eligible to serve as chairman.
4. The council shall meet at least three times annually at such times and places as must be determined by the council and may meet in special meeting upon such call and notice as may be prescribed by rules adopted by the council. A council member unable to attend a meeting of the council may be represented by a person who has a written proxy from the member.

SECTION 10. EXEMPTION. The amounts appropriated for the research greenhouse complex project, as contained in subdivision 4, section 3, of chapter 48 of the 2005 Session Laws, and the branch center renovations and research greenhouse complex projects, as contained in subdivision 4, section 1, of chapter 48 of the 2009 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 11. EMERGENCY. The appropriation for capital projects of \$6,991,650 from the general fund and \$2,502,931 from special funds in subdivision 4 of section 1 of this Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 20

HOUSE BILL NO. 1021

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to provide for various transfers; and to amend and reenact section 7 of chapter 49 and section 8 of chapter 519 of the 2009 Session Laws, relating to statewide longitudinal data system expenditures and health information technology.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 information technology department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$42,564,943	\$3,038,443	\$45,603,386
Operating expenses	55,208,550	(2,056,359)	53,152,191
Capital assets	11,970,746	3,064,920	15,035,666
Center for distance education	6,187,917	461,321	6,649,238
Deferred maintenance	60,000	(60,000)	0
Statewide longitudinal data system	202,442	3,424,425	3,626,867
Educational technology council	974,986	100,417	1,075,403
EduTech	7,400,002	526,445	7,926,447
K-12 wide area network	4,776,970	299,022	5,075,992
Geographic information system	789,678	322,387	1,112,065
Health information technology office	8,350,000	5,609,238	13,959,238
Criminal justice information sharing	3,339,491	(358,097)	2,981,394
Federal stimulus funds	<u>80,000,000</u>	<u>(72,000,000)</u>	<u>8,000,000</u>
Total all funds	\$221,825,725	(\$57,627,838)	\$164,197,887
Less estimated income	<u>206,907,171</u>	<u>(61,830,488)</u>	<u>145,076,683</u>
Total general fund	\$14,918,554	\$4,202,650	\$19,121,204
Full-time equivalent positions	328.20	(1.90)	326.30

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Criminal justice information sharing projects	\$269,748	\$200,000
K-12 wide area network	1,200,000	0
K-12 PowerSchool	353,600	0
Center for distance education	100,000	0

Statewide longitudinal database system	2,263,883	1,757,624
Federal fiscal stimulus	<u>2,263,883</u>	<u>8,000,000</u>
Total all funds	\$6,451,114	\$9,957,624
Less estimated income	<u>2,263,883</u>	<u>8,000,000</u>
Total general fund	\$4,187,231	\$1,957,624

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The information technology department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between the salaries and wages, operating expenses, and capital assets 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 projects.

SECTION 4. BANK OF NORTH DAKOTA TRANSFER. The industrial commission shall transfer, as requested by the health information technology office director, up to \$5,000,000 from the current earnings and accumulated profits of the Bank of North Dakota to the health information technology planning loan fund or to the health information technology loan fund, for the biennium beginning July 1, 2011, and ending June 30, 2013. The health information technology office director shall request transfers from the Bank only as necessary to meet cashflow needs of the fund and only upon certification by the health information technology office director of a demonstrated need for health information technology planning loans.

SECTION 5. AMENDMENT. Section 7 of chapter 49 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 7. DEPARTMENT OF PUBLIC INSTRUCTION - STATEWIDE LONGITUDINAL DATA SYSTEM EXPENDITURES - APPROVAL. The department of public instruction may spend only the federal funds appropriated in House Bill No. 1013 for costs associated with the statewide longitudinal data system upon approval of the expenditures by the information technology department, for the biennium beginning July 1, ~~2009~~2011, and ending June 30, ~~2011~~2013.

SECTION 6. AMENDMENT. Section 8 of chapter 519 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 8. BANK OF NORTH DAKOTA TRANSFERS. The industrial commission shall transfer, during the period beginning with the effective date of this Act and ending June 30, ~~2011~~2013, as requested by the health information technology office director, up to \$8,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund to meet any required match for federal funds or to the electronic health information exchange fund to meet any required match for federal funds or for ongoing operating expenditures of the health information exchange or as directed, a portion to both funds to meet any required match for federal funds. ~~The health information technology office director shall request fund transfers from the Bank only as necessary to comply with federal requirements and to meet cash flow needs of the funds.~~

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 21

HOUSE BILL NO. 1022

(Appropriations Committee)
 (At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state seed department.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the state seed department for the purpose of defraying the expenses of the state seed department, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total special funds	\$6,805,495	\$88,516	\$6,894,011
Full-time equivalent positions	30.00	0.00	30.00

Approved April 8, 2011
 Filed April 11, 2011

CHAPTER 22

HOUSE BILL NO. 1023

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
Commission on legal counsel for indigents	\$11,420,365	\$358,917	\$11,779,282
Less special funds	<u>1,950,217</u>	<u>20,635</u>	<u>1,970,852</u>
Total general fund	\$9,470,148	\$338,282	\$9,808,430
Full-time equivalent positions	30.00	0.00	30.00

Approved April 8, 2011
Filed April 11, 2011

CHAPTER 23

HOUSE BILL NO. 1024

(Appropriations Committee)
 (At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota racing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 other income, to the North Dakota racing commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$325,000	\$122,501	\$447,501
Less estimated income	<u>30,000</u>	<u>100,000</u>	<u>130,000</u>
Total general fund	\$295,000	\$22,501	\$317,501
Full-time equivalent positions	2.00	0.00	2.00

Approved April 11, 2011
 Filed April 11, 2011

CHAPTER 24

HOUSE BILL NO. 1025

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 tobacco prevention and control trust fund, not otherwise appropriated, to the comprehensive tobacco control advisory committee for the purpose of defraying the expenses of the committee, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Comprehensive tobacco control	\$12,882,000	\$40,614	\$12,922,614
Total special funds	\$12,882,000	\$40,614	\$12,922,614
Full-time equivalent positions	4.00	1.00	5.00

SECTION 2. REPORTS TO THE BUDGET SECTION. The tobacco prevention and control executive committee shall provide written reports to the budget section quarterly during the 2011-12 interim. The reports must include detailed information on expenditures for contract services, professional fees and services, and grants.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 25

HOUSE BILL NO. 1177

(Representatives DeKrey, Boehning, Owens, Metcalf)
(Senator Miller)

AN ACT to provide an appropriation to the department of veterans' affairs for stand down events.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of holding "stand down" events to coordinate benefits and provide services to needy veterans in this state, for the biennium beginning July 1, 2011, and ending June 30, 2013. This amount is one-time funding and is not a part of the agency's base budget for the 2013-15 biennium. The department of veterans' affairs shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding. The department of veterans' affairs may only provide funding for a "stand down" event to the extent private matching funds are used to provide a dollar-for-dollar or in-kind match. The department of veterans' affairs may not spend more than five thousand dollars for a single "stand down" event.

Approved April 25, 2011
Filed April 25, 2011

CHAPTER 26

HOUSE BILL NO. 1343

(Representatives Carlson, Hofstad, Kempenich, Nathe, Steiner, Wieland)

AN ACT to provide an appropriation for defraying the expenses of the industrial commission; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of defraying salaries and related operating expenses relating to its oil and gas industry regulatory responsibilities, for the period beginning with the effective date of this Act and ending June 30, 2011. The industrial commission is authorized four full-time equivalent positions.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 8, 2011
Filed April 11, 2011

CHAPTER 27

SENATE BILL NO. 2001

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,999,771	\$278,715	\$3,278,486
Operating expenses	426,787	(17,131)	409,656
Contingencies	10,000	0	10,000
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Roughrider awards	10,800	0	10,800
Education jobs fund program	0	<u>21,517,716</u>	<u>21,517,716</u>
Total all funds	\$3,447,358	\$21,844,300	\$25,291,658
Less estimated income	0	<u>21,517,716</u>	<u>21,517,716</u>
Total general fund	\$3,447,358	\$326,584	\$3,773,942
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds - 2009	\$104,699,679	\$0
Governor's transition lines	0	65,000
Education jobs fund	0	<u>21,517,716</u>
Total all funds	\$104,699,679	\$21,582,716
Total estimated income	<u>104,699,679</u>	<u>21,517,716</u>
Total general fund	\$0	\$65,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The governor's office shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. ONE-TIME FUNDING - EDUCATION JOBS FUNDS - DEPARTMENT OF PUBLIC INSTRUCTION. The federal education jobs funding of \$21,517,716 appropriated to the department of public instruction in Senate Bill No. 2013 is one-time funding for the 2011-13 biennium. The department of public instruction may not request funding from the general fund to replace this one-time funding in its base budget request for the 2013-15 biennium.

SECTION 4. APPROPRIATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor.

The annual salary of the governor is one hundred ~~thirteen~~ thousand and ~~thirty-four~~ thirty-five hundred ~~ninety-four~~ dollars through June 30, ~~2010~~2012, and one hundred ~~seventeen~~ thousand ~~two hundred eighty-five~~ one dollars thereafter.

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~eighty-one~~ eighty-eight thousand ~~five~~ one hundred ~~thirty-eight~~ thirty-eight ~~three~~ dollars through June 30, ~~2010~~2012, and ~~eighty-five~~ ninety thousand ~~six~~ eight hundred ~~fifteen~~ twenty-nine dollars thereafter.

SECTION 7. EMERGENCY. The education jobs fund program line item in section 1 of this Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 28

SENATE BILL NO. 2002

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to provide an exemption; and to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,129,509	\$293,834	\$3,423,343
Operating expenses	2,372,950	3,792,039	6,164,989
Petition review	8,000	0	8,000
Election reform	8,344,107	(2,137,295)	6,206,812
Bank of North Dakota loan	<u>3,400,698</u>	<u>(3,400,698)</u>	<u>0</u>
Total all funds	\$17,255,264	(\$1,452,120)	\$15,803,144
Less estimated income	<u>12,315,676</u>	<u>(5,528,692)</u>	<u>6,786,984</u>
Total general fund	\$4,939,588	\$4,076,572	\$9,016,160
Full-time equivalent positions	28.00	0.00	28.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operating expenses	<u>\$337,000</u>	<u>(\$27,000)</u>	<u>\$310,000</u>
Total general fund	\$337,000	(\$27,000)	\$310,000

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,276,588	\$4,049,572	\$9,326,160

Grand total special funds	<u>12,315,676</u>	<u>(5,528,692)</u>	<u>6,786,984</u>
Grand total all funds	\$17,592,264	(\$1,479,120)	\$16,113,144

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Mainframe migration computer project	\$780,000	\$3,500,000
Federal matching funds	30,000	0
Transfer to election fund	25,000	0
Online public meeting system	<u>0</u>	<u>43,039</u>
Total general fund	\$835,000	\$3,543,039

The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15 biennium. The secretary of state shall report to the appropriations committees of the sixty-third legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. MAINFRAME MIGRATION COMPUTER PROJECT - FUNDING LIMITATION. One-time funding of \$3,500,000 from the general fund for the mainframe migration computer project included in the operating expenses line item of subdivision 1 of section 1 of this Act may not be used for any other purpose and the appropriation authority must be canceled on June 30, 2013, in accordance with provisions of section 54-44.1-11.

SECTION 4. EXEMPTION - GENERAL SERVICES OPERATING FUND. Any unexpended and unobligated balance remaining in the secretary of state's general services operating fund on June 30, 2011, is not subject to the provisions of section 54-09-08, and any unexpended funds are available and may be expended by the secretary of state, during the biennium beginning July 1, 2011, and ending June 30, 2013, for the database and processing platform migration project.

SECTION 5. AMENDMENT. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is ~~eighty three~~ eighty three thousand ~~five~~ five hundred ~~fifty six~~ seventy one dollars through June 30, ~~2010~~ 2012, and ~~eighty seven~~ eighty seven thousand ~~seven hundred twenty eight~~ seventy one dollars thereafter.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 29

SENATE BILL NO. 2003

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to create and enact two new sections to chapter 18-01 of the North Dakota Century Code, relating to fire and tornado fund fees and petroleum release compensation fund fees; to amend and reenact sections 12-60-25, 54-12-11, and 57-43.1-03.2 of the North Dakota Century Code, relating to missing children, the salary of the attorney general, and refunds of tax for fuel purchased by native Americans; to provide an exemption; to provide legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$25,958,281	\$3,547,765	\$29,506,046
Operating expenses	14,750,431	1,667,585	16,418,016
Capital assets	2,391,187	(135,004)	2,256,183
Grants	3,452,225	(32,225)	3,420,000
Litigation fees	50,000	0	50,000
Medical examinations	660,000	0	660,000
North Dakota lottery	3,584,388	115,854	3,700,242
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	6,141	1,227	7,368
Federal stimulus funds	<u>0</u>	<u>2,355,708</u>	<u>2,355,708</u>
Total all funds	\$50,862,653	\$7,520,910	\$58,383,563
Less estimated income	<u>22,802,221</u>	<u>4,039,097</u>	<u>26,841,318</u>
Total general fund	\$28,060,432	\$3,481,813	\$31,542,245
Full-time equivalent positions	202.50	0.00	202.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	\$2,259,188	\$2,355,708
Crime lab equipment and BCI vehicles	<u>0</u>	<u>312,400</u>
Total all funds	\$2,259,188	\$2,668,108
Total special funds	<u>2,259,188</u>	<u>2,355,708</u>
Total general fund	\$0	\$312,400

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The attorney general shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND - LOCAL GAMING ENFORCEMENT GRANTS. The grants line item in section 1 of this Act includes \$510,000 for local gaming enforcement grants.

SECTION 4. AMENDMENT. Section 12-60-25 of the North Dakota Century Code is amended and reenacted as follows:

12-60-25. Lost, missing, or runaway children.

The bureau shall:

1. ~~Establish and maintain a statewide file system for the purpose of effecting an immediate law enforcement response to reports of lost, missing, or runaway children.~~
2. Implement a data exchange system to compile, to maintain, and to make available for dissemination to North Dakota and to out-of-state law enforcement agencies, descriptive information that can assist appropriate agencies in recovering lost, missing, or runaway children through the national crime information center.
- ~~3-2.~~ Establish contacts and exchange information regarding lost, missing, or runaway children with the national crime information center.
- ~~4-3.~~ Notify all enforcement agencies that reports of lost, missing, or runaway children must be entered as soon as the minimum level of data specified by the bureau is available to the reporting agency and that no waiting period for entry of such data exists. If the enforcement agency is unable to enter the data, the bureau immediately upon notification shall enter the information into the national crime information center file.
- ~~5-4.~~ Compile and retain information regarding lost, missing, or runaway children ~~in a separate file,~~ in a manner that allows the information to be used by law enforcement and other agencies, considered appropriate by the bureau, for investigative purposes. The reporting law enforcement agency is responsible for maintaining the disposition of the case ~~and periodically shall review the case with the reporting party and the bureau to ensure all available information is included and to determine the current status of the case.~~
- ~~6-5.~~ Provide prompt confirmation of the receipt and entry of lost, missing, or runaway children reports ~~into the file system~~ to the enforcement agency providing the report or to the parent, guardian, or identified family member as provided in subsection ~~7-6.~~
- ~~7-6.~~ Allow any parent, guardian, or identified family member to submit a lost, missing, or runaway child report to the bureau which will be ~~included in the bureau file system and~~ transmitted to the national crime information center, if they are unable to receive services from the local law enforcement agency.
- ~~8-7.~~ Compile and maintain a historical data repository/information relating to lost, missing, or runaway children for all of the following purposes:

- a. To develop and improve techniques utilized by law enforcement agencies when responding to reports of lost, missing, or runaway children.
- b. To provide a factual and statistical base for research which would address the problem of lost, missing, or runaway children.

SECTION 5. A new section to chapter 18-01 of the North Dakota Century Code is created and enacted as follows:

Fire and tornado fund fees.

The attorney general shall charge and collect fees for services provided by the state fire marshal program to entities covered by the fire and tornado fund under chapter 26.1-22. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 6. A new section to chapter 18-01 of the North Dakota Century Code is created and enacted as follows:

Petroleum release compensation fund fees.

The attorney general shall charge and collect fees for services provided by the state fire marshal program to entities covered by the petroleum release compensation fund under chapter 23-37. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 7. AMENDMENT. Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

54-12-11. Salary of attorney general.

The annual salary of the attorney general is ~~ninety-one hundred thirty-four thousand seven hundred ninety-three~~ ninety-one hundred thirty-four thousand ~~seven hundred ninety-three~~ thirty-five dollars through June 30, ~~2010~~ 2012, ~~ninety-six thousand three hundred four dollars through December 31, 2010, one hundred thirteen thousand two hundred sixty-six dollars through June 30, 2011, and one hundred thirty-eight thousand two hundred twenty-eight~~ thirty-eight thousand ~~two hundred twenty-eight~~ thirty-nine dollars thereafter.

SECTION 8. AMENDMENT. Section 57-43.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.2. Refund of tax for fuel purchased by native Americans - Fuels tax refund reserve fund - Continuing appropriation.

1. A native American may file a claim with the tax commissioner for a refund of motor vehicle fuel taxes paid by that person under this chapter or special fuel taxes paid under chapter 57-43.2 if the motor vehicle fuel or special fuel was purchased from a retail fuel dealer located on the Indian reservation where the native American is an enrolled member and the fuel was delivered to the native American on that reservation. The refund provisions of this chapter apply to refund claims made under this section.
2. A fuels tax refund reserve fund is created as a special fund in the state treasury. The tax commissioner shall deposit in that fund such amounts from motor vehicle fuel tax and special fuel tax collections as ~~the attorney general determines~~ necessary to be expended for refunds to which native American government entities may be entitled under qualifying circumstances and

conditions determined by the attorney general. There is appropriated as a continuing appropriation out of funds set aside under this subsection so much of the funds as ~~the attorney general determines~~ is necessary to meet the expenditures authorized under this subsection and such funds may be expended for that purpose.

SECTION 9. ATTORNEY GENERAL REFUND FUND TRANSFER TO THE GENERAL FUND - EXEMPTION. Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2011.

SECTION 10. PROJECT PLANNING AND IMPLEMENTATION. The attorney general shall involve the information technology department in the study and planning of the criminal history repository replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. The attorney general shall include information technology department architects in software development, computer systems, and security and network on the project team responsible for the study and planning of the project and receive approval from the information technology department before proceeding with any study recommendations relating to the project.

SECTION 11. LEGISLATIVE INTENT - EMPLOYEE POSITIONS PAID WITH FEDERAL FISCAL STIMULUS FUNDS. It is the intent of the sixty-second legislative assembly that the attorney general's base budget for the 2013-15 biennium not include funding or full-time equivalent positions for employees paid for with federal fiscal stimulus funds during the 2011-13 biennium. The attorney general may request funding for these positions as optional requests in the agency's budget request for the 2013-15 biennium.

SECTION 12. EMERGENCY. Section 9 of this Act is declared to be an emergency measure.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 30

SENATE BILL NO. 2004

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to the legislative council; and to amend and reenact section 54-10-10 of the North Dakota Century Code, relating to the salary of the state auditor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,915,046	\$711,712	\$8,626,758
Operating expenses	759,985	34,587	794,572
Information technology consultants	<u>150,000</u>	<u>0</u>	<u>150,000</u>
Total all funds	\$8,825,031	\$746,299	\$9,571,330
Less estimated income	<u>2,312,802</u>	<u>114,720</u>	<u>2,427,522</u>
Total general fund	\$6,512,229	\$631,579	\$7,143,808
Full-time equivalent positions	51.80	(1.00)	50.80

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Electronic working papers	<u>\$150,000</u>	<u>\$0</u>
Total general fund	\$150,000	\$0

SECTION 3. APPROPRIATION - LEGISLATIVE COUNCIL. 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 legislative council for the purpose of contracting for a performance review of the state auditor's office, for the biennium beginning July 1, 2011, and ending June 30, 2013. The legislative management may solicit bids from national private accounting firms and contract by October 1, 2011, for a performance review of the state auditor's office, including quality controls, procedures, technical applications, professionalism, customer feedback, efficiency, staffing review, and reporting. The performance review, if conducted, must be completed by July 1, 2012.

SECTION 4. AMENDMENT. Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor.

The annual salary of the state auditor is ~~eighty-three~~ninety thousand ~~five~~three hundred ~~fifty~~sixty dollars through June 30, ~~2010~~2012, and ~~eighty-seven~~ninety-three thousand ~~seven hundred twenty-eight~~seventy-one dollars thereafter.

Approved May 9, 2011
Filed May 10, 2011

CHAPTER 31

SENATE BILL NO. 2005

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, to the state treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$946,507	\$108,017	\$1,054,524
Operating expenses	131,478	266,588	398,066
In lieu of tax payments	1,151,000	(1,151,000)	0
Coal severance payments	<u>0</u>	<u>252,800</u>	<u>252,800</u>
Total general fund	\$2,228,985	(\$523,595)	\$1,705,390
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
IT development costs	\$0	\$266,588
Total general fund	\$0	\$266,588

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The state treasurer shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~seventy-eight thousand five hundred ninety-three~~ seventy-eight thousand five hundred ninety-three dollars through June 30, ~~2010~~ 2012, and ~~eighty-two thousand eight hundred forty-five~~ eighty-two thousand eight hundred forty-five dollars thereafter.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 32

SENATE BILL NO. 2006

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans credit; to provide for a transfer; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide for a legislative management study; to provide a contingent appropriation; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state tax commissioner for the purpose of defraying the expenses of the state tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veteran credit, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$16,910,525	\$1,887,185	\$18,797,710
Operating expenses	5,345,814	2,052,217	7,398,031
Capital assets	58,000	(42,000)	16,000
Homestead tax credit	5,964,000	2,828,788	8,792,788
Disabled veteran credit	<u>3,000,000</u>	<u>1,243,920</u>	<u>4,243,920</u>
Total all funds	\$31,278,339	\$7,970,110	\$39,248,449
Less estimated income	<u>96,000</u>	<u>(86,000)</u>	<u>10,000</u>
Total general fund	\$31,182,339	\$8,056,110	\$39,238,449
Full-time equivalent positions	133.00	1.00	134.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Integrated tax system loan payment	\$10,230,247	\$0
Onsite support - Gen Tax	1,234,000	0
Oil and gas integration to Gen Tax	1,500,000	0
Gen Tax upgrade	<u>0</u>	<u>1,000,000</u>
Total all funds	\$12,964,247	\$1,000,000
Total special funds	<u>100,000</u>	<u>0</u>
Total general fund	\$12,864,247	\$1,000,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The tax commissioner shall report to the appropriations

committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. TRANSFER. There is transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of \$1,485,000 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

SECTION 4. AMENDMENT. Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary.

The annual salary of the state tax commissioner is ~~ninety-ninety-eight thousand six hundred seventy-eight~~sixty-eight dollars through June 30, ~~2010~~2012, and ~~ninety-five one hundred one thousand two hundred twelve~~ten dollars thereafter.

SECTION 5. EXEMPTION - GRANT TO NORTH DAKOTA STATE UNIVERSITY. Up to \$50,000 of the general fund appropriation to the state tax commissioner in section 1 of chapter 6 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11 and may be distributed by the state tax commissioner as a grant to North Dakota state university, department of agribusiness and applied economics, for the purpose of converting the software of the core model used for the preparation of agricultural land valuations as required under section 57-02-27.2, during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - INCOME TAX CREDITS. During the 2011-12 interim, the legislative management shall consider studying the state's income tax credits. The study must involve the state tax commissioner and include an inventory of all of the state's income tax credits, a review of the nature of each credit, an indication of the targeted class of recipients of each credit, an analysis of possible barriers to using the credits, an analysis of possible gaps and overlaps in the state's income tax credits, the relationship of state income tax credits to federal tax policy, and a review of the effectiveness of each credit. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 7. CONTINGENT FUNDING - EMERGENCY COMMISSION APPROVAL. The funds appropriated in the salaries and wages line item in section 1 of this Act include \$112,883 from the general fund and the funds appropriated in the operating expenses line item in section 1 of this Act include \$29,440 from the general fund which may be used by the tax department to hire one full-time equivalent position also included in section 1 of this Act, upon emergency commission approval, for the purpose of performing additional compliance projects. The emergency commission may approve the use of these funds and the additional full-time equivalent position only if the tax department certifies that compliance projects conducted by the new compliance officer authorized by the 2011 legislative assembly have resulted in the collection of at least \$500,000, during the nine-month period beginning on the date the new compliance officer position is filled.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 33

SENATE BILL NO. 2007

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the labor commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 labor commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,512,004	\$136,338	\$1,648,342
Operating expenses	302,330	13,964	316,294
Total all funds	\$1,814,334	\$150,302	\$1,964,636
Less estimated income	412,751	11,760	424,511
Total general fund	\$1,401,583	\$138,542	\$1,540,125
Full-time equivalent positions	12.00	0.00	12.00

Approved May 5, 2011

Filed May 5, 2011

CHAPTER 34

SENATE BILL NO. 2008

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 49-01-05 of the North Dakota Century Code, relating to the salary of public service commissioners; to provide for a legislative management study; and to authorize a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 public service commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,747,961	\$734,113	\$7,482,074
Operating expenses	1,944,946	27,626	1,972,572
Capital assets	127,500	(74,500)	53,000
Grants	10,000	6,000	16,000
Abandoned mined lands contractual	6,500,000	1,500,000	8,000,000
Rail rate complaint case	900,000	0	900,000
Federal stimulus funds	<u>0</u>	<u>658,217</u>	<u>658,217</u>
Total all funds	\$16,230,407	\$2,851,456	\$19,081,863
Less estimated income	<u>10,627,242</u>	<u>2,434,406</u>	<u>13,061,648</u>
Total general fund	\$5,603,165	\$417,050	\$6,020,215
Full-time equivalent positions	43.00	0.00	43.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	\$0	\$658,217
Total special funds	\$0	\$658,217

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The public service commission shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. AMENDMENT. Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners.

The annual salary of a commissioner is ~~eighty-five~~ninety-two thousand eight hundred ~~thirty-two~~six dollars through June 30, ~~2010~~2012, and ~~ninety-five~~ninety-five thousand ~~one~~six hundred ~~twenty-two~~eleven dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

SECTION 4. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND. The sum of \$900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act, shall be transferred by the Bank of North Dakota from the beginning farmer revolving loan fund to the public service commission to pay for costs associated with a rail rate complaint case. Transfers shall be made during the biennium beginning July 1, 2011, and ending June 30, 2013, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail rate complaint case.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY - PIPELINE SAFETY STUDY. During the 2011-12 interim, the legislative management shall consider studying gas pipelines in the state focusing on safety concerns of gas utility distribution and transmission. The study must include all pipeline activity and address the jurisdiction of pipelines in the state in consultation with the public service commission, industrial commission, and North Dakota one call. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 35

SENATE BILL NO. 2009

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact sections 4-01-21 and 4-01-23, subsection 2 of section 5-01-17, subsection 2 of section 5-01-19, and sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06 of the North Dakota Century Code, relating to the salary of the agriculture commissioner, the promotion of sustainably grown commodities, domestic wineries and domestic distilleries, and fertilizer distribution registration, licensing, and inspection fees; to provide for a transfer; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,566,196	\$1,146,168	\$9,712,364
Operating expenses	6,094,603	356,850	6,451,453
Capital assets	5,000	12,000	17,000
Grants	2,969,825	201,003	3,170,828
State board of animal health	2,563,325	(414,273)	2,149,052
Wildlife services	1,067,400	350,000	1,417,400
Crop harmonization board	<u>50,000</u>	<u>25,000</u>	<u>75,000</u>
Total all funds	\$21,316,349	\$1,676,748	\$22,993,097
Less estimated income	<u>14,094,466</u>	<u>706,785</u>	<u>14,801,251</u>
Total general fund	\$7,221,883	\$969,963	\$8,191,846
Full-time equivalent positions	74.50	2.50	77.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Johne's disease	<u>\$245,500</u>	<u>\$0</u>
Total general fund	\$245,500	\$0

SECTION 3. APPROPRIATION - 2009-11 BIENNIUM - WILDLIFE SERVICES. There is appropriated out of any special funds received from the game and fish department, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of providing funding for the wildlife services program, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$5,103,037, or so much of the sum as may be available, from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture department programs, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$200,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$1,068,261 from the game and fish department operating fund which the game and fish department shall transfer to the agriculture commissioner for the purpose of defraying the expenses of various agriculture department programs, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$250,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. EXEMPTION - JOHNE'S DISEASE CONTROL. The amount appropriated for John's disease control in section 1 of chapter 61 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended appropriations may be continued into the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 9. AMENDMENT. Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

4-01-21. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is ~~eighty-five~~eighty-five ~~ninety-two~~ninety-two thousand eight hundred ~~thirty-two~~thirty-two ~~six~~six dollars through June 30, ~~2010~~2012, and ~~ninety-nine~~ninety-five thousand ~~one~~one ~~hundred~~hundred ~~twenty-two~~twenty-two ~~ten~~ten dollars thereafter.

SECTION 10. AMENDMENT. Section 4-01-23 of the North Dakota Century Code is amended and reenacted as follows:

4-01-23. (Effective July 1, 2011) Sustainably grown in North Dakota - Application - Logo - Promotion of commodities.

1. The agriculture commissioner ~~shall~~may implement a program to promote agricultural commodities that are sustainably grown in North Dakota.
2. ~~If a program referenced in subsection 1 is implemented, the program must require that a producer may apply to file an application with the commissioner and upon demonstrating. If the producer demonstrates that the producer's growing practices with respect to a particular commodity meet the commissioner's established criteria for sustainability, the commissioner shall authorize the producer to label and market the commodity as being sustainably grown in North Dakota.~~

3. The commissioner ~~shall~~may develop and make available for the use of authorized producers a logo indicating that the commodity is sustainably grown in North Dakota. The commissioner ~~shall~~may actively support and promote the sale and use of products identified as sustainably grown in North Dakota.
4. The commissioner may establish and charge producers a fee for participating in the program. The commissioner shall forward all fees collected under this section to the state treasurer for deposit in the general fund.
5. The agriculture commissioner may engage in research and provide education to members of the public regarding agricultural commodities that are sustainably grown in this state.
6. For purposes of this section, "sustainably grown" means that a crop is grown using research-based practices that result in:
 - a. Increased efficiencies in soil and nutrient preservation;
 - b. Decreased reliance on tillage and other soil-depleting practices;
 - c. Increased efficiencies in the use of water;
 - d. Increased efficiencies in the use of other necessary and measurable agricultural inputs;
 - e. Increased yield efficiencies; and
 - f. Greater economic benefit to producers.

⁵ **SECTION 11. AMENDMENT.** Subsection 2 of section 5-01-17 of the North Dakota Century Code is amended and reenacted as follows:

2. A domestic winery may sell wine produced by that winery at on sale or off sale, in retail lots, and not for resale, and may sell or direct ship its wine to persons inside or outside of the state in a manner consistent with the laws of the place of the sale or delivery in total quantities not in excess of twenty-five thousand gallons [94625 liters] in a calendar year; glassware; wine literature and accessories; and cheese, cheese spreads, and other snack food items. A licensee may dispense free samples of the wines offered for sale. Subject to local ordinance, sales at on sale and off sale may be made on Sundays between twelve noon and twelve midnight. The state tax commissioner may issue special events permits for not more than twenty days per calendar year to a domestic winery allowing the winery, subject to local ordinance, to give free samples of its wine and to sell its wine by the glass or in closed containers, at ~~a designated trade show, convention, festival, or a similar event approved by the state tax commissioner~~off-premises events. A domestic winery may not engage in any wholesaling activities. All sales and deliveries of wines to any other retail licensed premises in this state may be made only through a licensed North Dakota liquor wholesaler. For any month in which a domestic winery has made sales to a North Dakota wholesaler, that domestic winery shall file a report with the state tax commissioner no later than the last day of each calendar month reporting sales made during the preceding

⁵ Section 5-01-17 was also amended by section 1 of House Bill No. 1099, chapter 72.

calendar month. When the last day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day thereafter.

6 SECTION 12. AMENDMENT. Subsection 2 of section 5-01-19 of the North Dakota Century Code is amended and reenacted as follows:

2. A domestic distillery may sell spirits produced by that distillery at on sale or off sale, in retail lots, and not for resale, and may sell or direct ship its spirits to persons inside or outside the state in a manner consistent with the laws of the place of the sale or delivery in total quantities not in excess of twenty-five thousand gallons [94625 liters] in a calendar year. Direct sales within this state are limited to two and thirty-eight hundredths gallons [9 liters] or less per month per person for personal use and not for resale. The packaging must conform with the labeling requirements in section 5-01-16. A licensee may dispense free samples of the spirits offered for sale. Subject to local ordinance, sales at on sale and off sale may be made on Sundays between twelve noon and twelve midnight. A domestic distillery may hold events inside and outside its premises, but only on contiguous property under common ownership, allowing free samples of its spirits and to sell its spirits by the glass or in closed containers. The tax commissioner may issue special events permits for not more than twenty days per calendar year to a domestic distillery allowing the domestic distillery, subject to local ordinance, to give free samples of its product and to sell its product by the glass or in closed containers, ~~at a designated trade show, convention, festival, or similar event approved by the tax commissioner~~ at off-premises events. A domestic distillery may not engage in any wholesaling activities. All sales and deliveries of spirits to any other retail licensed premises in this state may be made only through a licensed North Dakota liquor wholesaler. However, a domestic distillery may sell distilled spirits to a domestic winery if the distilled spirits were produced from products provided to the domestic distillery by the domestic winery. No later than the last business day of a calendar month, a farm distillery that has made sales to a North Dakota wholesaler during the preceding calendar month shall file a report with the tax commissioner reporting those sales.

SECTION 13. AMENDMENT. Section 19-20.1-03 of the North Dakota Century Code is amended and reenacted as follows:

19-20.1-03. Registration.

Each brand and grade of fertilizer, material, foliar fertilizer, micronutrient, specialty fertilizer, soil amendment, or plant amendment must be registered in the name of the person whose name appears upon the label before being offered for sale or distributed in this state. The application for registration must be submitted to the commissioner on a form furnished by the commissioner and must be accompanied by a fee of fifty dollars. Upon approval by the commissioner, a certificate of registration must be furnished to the applicant. Registrations cover a two-year period beginning July first and ending June thirtieth of every even-numbered year. Distribution of fertilizer products without prior registration or renewal received after July thirty-first must be assessed a penalty of twenty-five dollars per product. A distributor is not required to register any brand of fertilizer, soil amendment, or plant amendment that is already registered under this chapter by another person, providing the label complies with the issued registration. Compost that is transferred between parties without compensation is exempt from these requirements. The agriculture commissioner shall

⁶ Section 5-01-19 was also amended by section 2 of House Bill No. 1099, chapter 72.

forward all fees received under this section to the state treasurer for deposit in the environment and rangeland protection fund.

SECTION 14. AMENDMENT. Section 19-20.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

19-20.1-03.1. License required - Penalty.

A person may not distribute any fertilizer, soil amendment, or plant amendment in this state without first obtaining a distributor's license from the commissioner. However, a distributor's license is not required for those distributors selling only specialty fertilizers. A license must be obtained for each location or mobile mechanical unit used by a distributor in the state. The application for the license must be submitted on a form furnished by the commissioner and must be accompanied by a fee of one hundred dollars. A license covers a two-year period beginning July first and ending June thirtieth of every even-numbered year. License renewal applications received after July thirty-first may be assessed a penalty fee of twenty dollars. Licenses are not transferable, and each license must be conspicuously posted at each location and must accompany each mobile mechanical unit operating in the state. The agriculture commissioner shall forward all fees received under this section to the state treasurer for deposit in the environment and rangeland protection fund.

7 SECTION 15. AMENDMENT. Section 19-20.1-06 of the North Dakota Century Code is amended and reenacted as follows:

19-20.1-06. Inspection fees and tonnage reports.

There must be paid to the commissioner for all fertilizers, soil amendments, or plant amendments distributed in this state an inspection fee at the rate of twenty cents per ton [907.18 kilograms]. The inspection fee may not be less than ten dollars. Sales to manufacturers or exchanges between them are exempt from the inspection fee. Fees collected under this section must be ~~used for the payment of the costs of inspection, sampling, and analysis, and other expenses necessary for the administration of this chapter~~ forwarded to the state treasurer for deposit in the environment and rangeland protection fund.

Individual packages of fertilizers, soil amendments, or plant amendments sold exclusively in packages of twenty-five pounds [11.34 kilograms] or less are exempt from the provisions of this section. If a person sells fertilizer, soil amendments, or plant amendments in packages of twenty-five pounds [11.34 kilograms] or less and in packages over twenty-five pounds [11.34 kilograms], that portion sold in packages over twenty-five pounds [11.34 kilograms] is subject to the same inspection fee of twenty cents per ton [907.18 kilograms], including the minimum ten dollar fee, as provided in this chapter.

Every licensed person who distributes a fertilizer, soil amendment, or plant amendment to a nonlicensed person in this state shall file with the commissioner, on forms furnished by the commissioner, an annual statement for the calendar year, setting forth the number of net tons [kilograms] of each fertilizer, soil amendment, or plant amendment so distributed in this state during the period. A licensed end user shall report all sales and purchases and pay the appropriate tonnage tax. The statement is due on or before January thirty-first of the following year. The person filing the statement shall pay the inspection fee at the rate stated in this section. If the

⁷ Section 19-20.1-06 was also amended by section 1 of House Bill No. 1321, chapter 168.

tonnage statement is not filed and the payment of inspection fee is not made by January thirty-first, a collection fee amounting to ten percent, minimum ten dollars, of the amount must be assessed against the licensee, and the amount of fees due constitute a debt and become the basis of a judgment against the licensee.

SECTION 16. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

Approved May 5, 2011

Filed May 5, 2011

CHAPTER 36

SENATE BILL NO. 2010

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for making payments of insurance premiums tax collections to fire departments; to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the commissioner's salary; and to provide for reports to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,335,670	\$524,160	\$6,859,830
Operating expenses	2,063,264	1,368,636	3,431,900
Capital assets	170,000	(100,000)	70,000
Grants	<u>6,990,000</u>	<u>50,000</u>	<u>7,040,000</u>
Total special funds	\$15,558,934	\$1,842,796	\$17,401,730
Full-time equivalent positions	45.50	0.00	45.50

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Transfer to bonding fund	<u>\$500,000</u>	<u>\$0</u>
Total special funds	\$500,000	\$0

SECTION 3. INSURANCE TAX DISTRIBUTION FUND PAYMENTS - USES. Section 1 of this Act includes \$6,870,000 from the insurance tax distribution fund, of which \$6,200,000 is for the purpose of making payments to fire departments and \$670,000 is for the purpose of making two equal payments to the North Dakota firefighter's association, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. BONDING FUND. Section 1 of this Act includes \$46,769 from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. FIRE AND TORNADO FUND. Section 1 of this Act includes \$1,611,575 from the state fire and tornado fund, including \$170,000 for a grant to the North Dakota firefighter's association and \$1,441,575 to pay fire and tornado fund

administrative expenses, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$27,349 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. PETROLEUM RELEASE COMPENSATION FUND. Section 1 of this Act includes \$46,769 from the petroleum release compensation fund to pay petroleum release compensation fund administrative expenses for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~eighty-three~~ninety thousand ~~five~~three hundred ~~fifty~~sixty dollars through June 30, ~~2010~~2012, and ~~eighty-seven~~ninety-three thousand ~~seven~~hundred ~~twenty-eight~~seventy-one dollars thereafter.

SECTION 9. REPORTS TO BUDGET SECTION. The insurance commissioner shall report at each budget section meeting during the 2011-12 interim on the status of provisions of the Patient Protection and Affordable Care Act.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 37

SENATE BILL NO. 2011

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the securities commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 fees or other income, to the securities commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,399,120	\$120,858	\$1,519,978
Operating expenses	<u>706,441</u>	<u>0</u>	<u>706,441</u>
Total all funds	\$2,105,561	\$120,858	\$2,226,419
Less estimated income	<u>317,199</u>	<u>0</u>	<u>317,199</u>
Total general fund	\$1,788,362	\$120,858	\$1,909,220
Full-time equivalent positions	9.00	0.00	9.00

Approved May 9, 2011

Filed May 9, 2011

CHAPTER 38

SENATE BILL NO. 2012

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide an exemption; to provide legislative intent; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,231,353	\$2,226,715	\$16,458,068
Operating expenses	46,548,787	15,735,631	62,284,418
Capital assets	0	138,400	138,400
Total all funds	\$60,780,140	\$18,100,746	\$78,880,886
Less estimated income	34,477,817	13,285,595	47,763,412
Total general fund	\$26,302,323	\$4,815,151	\$31,117,474

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$41,389,716	\$8,330,668	\$49,720,384
Operating expenses	75,461,417	16,961,863	92,423,280
Capital assets	8,580	(8,580)	0
Grants	452,990,742	34,015,295	487,006,037
Grants - Medical assistance	1,300,642,323	300,182,682	1,600,825,005
Total all funds	\$1,870,492,778	\$359,481,928	\$2,229,974,706
Less estimated income	1,381,801,240	115,058,125	1,496,859,365
Total general fund	\$488,691,538	\$244,423,803	\$733,115,341

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northwest human service center	\$8,452,001	\$222,567	\$8,674,568
North central human service center	19,208,018	1,694,208	20,902,226
Lake region human service center	10,886,645	357,661	11,244,306
Northeast human service center	25,768,431	2,321,019	28,089,450
Southeast human service center	30,139,636	7,868,498	38,008,134
South central human service center	15,567,495	1,291,516	16,859,011
West central human service center	24,683,076	1,669,367	26,352,443
Badlands human service center	10,857,338	850,716	11,708,054
State hospital	65,641,609	7,581,591	73,223,200
Developmental center	<u>52,939,281</u>	<u>(1,130,034)</u>	<u>51,809,247</u>
Total all funds	\$264,143,530	\$22,727,109	\$286,870,639
Less estimated income	<u>132,787,875</u>	<u>(7,198,220)</u>	<u>125,589,655</u>
Total general fund	\$131,355,655	\$29,925,329	\$161,280,984

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$646,349,516	\$279,164,283	\$925,513,799
Grand total special funds	<u>1,549,066,932</u>	<u>121,145,500</u>	<u>1,670,212,432</u>
Grand total all funds	\$2,195,416,448	\$400,309,783	\$2,595,726,231
Full-time equivalent positions	2,216.88	(27.53)	2,189.35

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Developmental disabilities rate study	\$100,000	\$0
Supplemental payment	400,000	0
Extraordinary repairs	3,443,692	0
Federal stimulus funds	88,033,205	519,175
Supplemental payment	0	400,000
Equipment over \$5,000	352,606	0
State hospital capital projects	<u>0</u>	<u>1,800,000</u>
Total all funds	\$92,329,503	\$2,719,175
Less estimated income	<u>88,033,205</u>	<u>919,175</u>
Total general fund	\$4,296,298	\$1,800,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of human services shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this

Act and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2011, and ending June 30, 2013. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2012, any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-third legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. EXEMPTION. The amount appropriated for the replacement of the medicaid management information system in chapter 50 of the 2007 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2009-11 biennium are available for the completion of the medicaid management information system project during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. GENERAL FUND TRANSFER TO BUDGET STABILIZATION FUND - EXCEPTION - USE OF GENERAL FUND AMOUNTS. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2009-11 biennium under chapter 54-27.2 any general fund amounts resulting from the increased federal share of medical assistance payments resulting from federal medical assistance percentage changes under the American Recovery and Reinvestment Act of 2009 and H.R.1586. The state treasurer and the office of management and budget shall separately account for these amounts resulting from federal medical assistance percentage changes under the American Recovery and Reinvestment Act of 2009 and H.R.1586 and use these amounts to defray the expenses of continuing program costs of the department of human services from the general fund, for the biennium beginning July 1, 2011, and ending June 30, 2013, including \$23,451,104 for inflationary increases for human services providers.

SECTION 6. REPORT ON THE DEMENTIA CARE SERVICES PROGRAM. During the 2011-12 interim, the department of human services shall periodically report to the legislative management regarding the status of the dementia care services program. The reports must include information on budgeted and actual program expenditures, program services, and program outcomes.

SECTION 7. RISK BEHAVIOR PREVENTION GRANTS - MATCHING REQUIREMENTS. The department of human services shall use \$250,000 of federal funding appropriated in subdivision 2 of section 1 of this Act for the mental health and substance abuse division for providing grants to support a statewide school and community-based youth network dedicated to implementing risk behavior prevention efforts, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department shall require an entity receiving a grant under this section to provide \$1 of matching funds for each \$1 of state funds provided.

SECTION 8. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES GRANTS. It is the intent of the legislative assembly that the department of human services use any anticipated unexpended appropriation authority relating to developmental disabilities grants resulting from caseload or cost changes during the 2011-13 biennium for costs associated with transitioning individuals from the developmental center to communities during the 2011-13 biennium.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - QUALIFIED SERVICE PROVIDER SYSTEM. During the 2011-12 interim, the legislative management shall consider studying and evaluating the state's qualified service provider system. The

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

SECTION 10. SUPPLEMENTAL PAYMENT - HEALTH CARE TRUST FUND.

The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$400,000 from the health care trust fund which the department shall provide as a one-time grant, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department shall provide a grant of \$200,000 to the government nursing facility that participated in the intergovernmental transfer payment program in a city with a population of more than six hundred according to the 2000 census and a grant of \$200,000 to the hospital in a city with a population of less than five hundred according to the 2000 census which also has a government nursing facility that participated in the intergovernmental transfer payment program.

Approved May 9, 2011

Filed May 9, 2011

CHAPTER 39

SENATE BILL NO. 2013

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the information technology department; to provide an appropriation to the North Dakota university system office; to provide for the distribution of funding for regional education association grants, continuing education grants, gifted and talented programs and medicaid matching funds, and other grants; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; to repeal section 15.1-13-33 of the North Dakota Century Code, relating to the national board certification fund; to provide an exemption; to provide for a transfer; to amend and reenact sections 54 and 59 of chapter 175 of the 2009 Session Laws, relating to funds appropriated for transportation and state school aid; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$13,504,455	\$904,845	\$14,409,300
Operating expenses	30,770,801	(1,087,614)	29,683,187
Grants - State school aid	722,725,958	195,733,520	918,459,478
Grants - Special education contracts	15,500,000	500,000	16,000,000
Grants - Supplemental one-time	85,644,337	(85,644,337)	0
Grants - Supplemental operations	16,795,584	(16,795,584)	0
Grants - Transportation	43,500,000	5,000,000	48,500,000
Grants - Other grants	245,203,721	58,780,672	303,984,393
Grants - Mill levy reduction	295,000,000	(295,000,000)	0
Education jobs fund	0	21,517,716	21,517,716
Transportation efficiency	30,000	0	30,000
National board certification	102,500	82,500	185,000
Total all funds	\$1,468,777,356	(\$116,008,282)	\$1,352,769,074
Less estimated income	360,597,766	90,605,657	451,203,423
Total general fund	\$1,108,179,590	(\$206,613,939)	\$901,565,651
Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,193,791	\$256,568	\$3,450,359
Operating expenses	1,482,573	213,153	1,695,726
Grants	<u>1,852,500</u>	<u>400,000</u>	<u>2,252,500</u>
Total all funds	\$6,528,864	\$869,721	\$7,398,585
Less estimated income	<u>1,927,836</u>	<u>206,774</u>	<u>2,134,610</u>
Total general fund	\$4,606,028	\$662,947	\$5,263,975
Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,429,998	\$502,640	\$5,932,638
Operating expenses	1,572,603	61,308	1,633,911
Capital assets	327,745	712,485	1,040,230
Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$7,530,346	\$1,276,433	\$8,806,779
Less estimated income	<u>1,331,450</u>	<u>756,557</u>	<u>2,088,007</u>
Total general fund	\$6,198,896	\$519,876	\$6,718,772
Full-time equivalent positions	43.94	0.00	43.94

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,531,264	\$284,561	\$3,815,825
Operating expenses	667,006	84,500	751,506
Capital assets	<u>39,500</u>	<u>25,500</u>	<u>65,000</u>
Total all funds	\$4,237,770	\$394,561	\$4,632,331
Less estimated income	<u>815,902</u>	<u>19,189</u>	<u>835,091</u>
Total general fund	\$3,421,868	\$375,372	\$3,797,240
Full-time equivalent positions	29.50	0.00	29.50

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,122,401,382	(\$194,924,744)	\$927,476,638
Grand total special funds	<u>364,672,954</u>	<u>91,588,177</u>	<u>456,261,131</u>
Grand total all funds	\$1,487,074,336	(\$103,336,567)	\$1,383,737,769

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11

biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Department of public instruction		
IT application rewrite and maintenance	\$500,000	\$384,000
National board certification fund	500,000	0
Federal fiscal stimulus - School aid	85,644,337	0
Federal fiscal stimulus - Other	67,379,051	0
Geographic alliance endowment	<u>226,000</u>	<u>0</u>
Total department of public instruction - All funds	\$154,249,388	\$384,000
Total department of public instruction - Estimated income	<u>153,023,388</u>	<u>0</u>
Total department of public instruction - General fund	\$1,226,000	\$384,000
School for the deaf		
Virtual services business plan	\$25,000	\$0
Facility master plan	41,000	0
Extraordinary repairs	0	103,800
Trades building remodel	<u>1,670,000</u>	<u>0</u>
Total school for the deaf - All funds	\$1,736,000	\$103,800
Total school for the deaf - Estimated income	<u>835,000</u>	<u>0</u>
Total school for the deaf - General fund	\$901,000	\$103,800
School for the blind - Vision services		
Equipment	\$39,200	\$25,500
Window replacement	31,000	0
Facility master plan	0	20,000
Instructional equipment	<u>0</u>	<u>24,500</u>
Total school for the blind - All funds	\$70,200	\$70,000
Total school for the blind - Estimated income	<u>0</u>	<u>0</u>
Total school for the blind - General fund	\$70,200	\$70,000
Grand total - All funds	\$156,055,588	\$557,800
Grand total - Estimated income	<u>153,858,388</u>	<u>0</u>
Grand total - General fund	\$2,197,200	\$557,800

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of public instruction, school for the deaf, and school for the blind - vision services shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. ONE-TIME FUNDING - EDUCATION JOBS FUNDS. The federal education jobs funding of \$21,517,716 appropriated to the superintendent of public instruction in subdivision 1 of section 1 of this Act is one-time funding for the 2011-13 biennium. The superintendent of public instruction may not request funding from the general fund to replace this one-time funding in its base budget request for the 2013-15 biennium.

SECTION 4. APPROPRIATION - STAGNET CONNECTIVITY - INFORMATION TECHNOLOGY DEPARTMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$131,000, or so much of the sum as may be necessary, to the information technology department for the purpose of completing school district connectivity to STAGEnet, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. APPROPRIATION - SCHOLARSHIP PROGRAMS - 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 \$10,000,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of providing North Dakota academic and career and technical education scholarships, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. APPROPRIATION. There is appropriated from special funds derived from federal funds the sum of \$30,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for grants for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 7. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$101,638,000, included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. STATE SCHOOL AID AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the grants - state school aid and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2009-11 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2011.

SECTION 9. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in subdivision 1 of section 1 of this Act for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
 - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
 - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

SECTION 10. RESERVED FUNDS - CONTINGENT ADULT EDUCATION LEARNING CENTER GRANTS. The sum of \$500,000, or so much of the sum as may be necessary, made available under section 19 of this Act, must be used by the department of public instruction for providing adult education learning center grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department may provide grants of up to \$250,000 during the first year of the biennium only if federal funding available to the state for adult education is less than \$900,000 in federal fiscal year 2012. Funding provided in the first year of the biennium is limited to the difference between federal funding available in federal fiscal year 2012 and

\$900,000. The department may use any remaining funds for adult education learning center grants during the second year of the biennium.

SECTION 11. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The sum of \$100,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
 - b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.
2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 12. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING - FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the grants - state school aid line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 13. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 14. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$1,500,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2012.

SECTION 15. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 16. SCHOOL FOR THE DEAF - EXEMPTION - TRANSFER. Up to \$835,000 of the amount appropriated to the school for the deaf from the general fund, as provided in chapter 13 of the 2009 Session Laws, for the trades building remodeling project and not spent or obligated as of June 30, 2011, is not subject to the provisions of section 54-44.1-11 and shall be transferred by the director of the office of management and budget to the school for the deaf fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 17. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM. The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing for the biennium beginning July 1, 2011, and ending June 30, 2013. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.
2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.
4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred during the biennium hourly expenses in excess of the formula reimbursement level.
5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 18. AMENDMENT. Section 54 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 54. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2009-11 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
 - a. Ninety-two cents per mile for schoolbuses having a capacity of ten or more passengers;
 - b. Forty-four cents per mile for vehicles having a capacity of nine or fewer passengers; and
 - c. Twenty-four cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.
3. If any moneys provided for transportation payments in the grants - transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall ~~prorate~~:
 - a. Reserve the first one million dollars, which is not subject to the provisions of section 54-44.1-11 and must be used to provide per student payments during the biennium beginning July 1, 2011, and ending June 30, 2013.
 - b. ~~Prorate~~ the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 19. AMENDMENT. Section 59 of chapter 175 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 59. CONTINGENT MONEY - 2009-11.

1. In determining the availability of contingent money under this section, the superintendent of public instruction shall first add to the money in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly, any money that was appropriated to the superintendent for special education contracts and which remains after the superintendent complied with all statutory special education contract payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011.
2. If any money that was appropriated to the superintendent of public instruction for grants - state aid payments to school districts or added

to the grants - state school aid line item in accordance with subsection 1 remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2009, and ending June 30, 2011, the superintendent shall use:

- a. Reserve the first eight million dollars, which is not subject to the provisions of section 54-44.1-11 and must be used to provide per student payments during the biennium beginning July 1, 2011, and ending June 30, 2013.
- b. Reserve the next five hundred thousand dollars, which is not subject to the provisions of section 54-44.1-11 and must be used in accordance with section 10 of this Act.
- c. Use the money to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

SECTION 20. TRANSFER - NATIONAL BOARD CERTIFICATION FUND - GENERAL FUND. The office of management and budget shall transfer any balance remaining in the national board certification fund at the end of the 2011-13 biennium to the general fund. For purposes of this section, "at the end of the 2011-13 biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 21. LEGISLATIVE INTENT - 2013-15 SCHOOL FOR THE DEAF APPROPRIATION BILL. It is the intent of the sixty-second legislative assembly that the school for the deaf remain under the control of the superintendent of public instruction during the 2011-13 biennium and that the governor include the recommended funding for the school for the deaf in a separate draft appropriations act for introduction to the sixty-third legislative assembly.

SECTION 22. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary.

The annual salary of the superintendent of public instruction is ~~ninety five one hundred two thousand one~~ eight hundred sixteen ~~sixty-eight~~ dollars through June 30, ~~2010~~2012, and ~~ninety nine one hundred five thousand eight~~ nine hundred seventy two ~~fifty-four~~ dollars thereafter.

⁸ **SECTION 23. REPEAL.** Section 15.1-13-33 of the North Dakota Century Code is repealed.

SECTION 24. EMERGENCY. Sections 6, 18, and 19 of this Act and \$21,517,716 appropriated in the education jobs fund line item in subdivision 1 of section 1 of this Act are declared to be an emergency measure.

Approved May 9, 2011
Filed May 9, 2011

⁸ Section 15.1-13-33 was amended by section 1 of House Bill No. 1094, chapter 136.

CHAPTER 40

SENATE BILL NO. 2014

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 committee on protection and advocacy for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$4,543,318	\$560,935	\$5,104,253
Less estimated income	<u>2,987,503</u>	<u>131,385</u>	<u>3,118,888</u>
Total general fund	\$1,555,815	\$429,550	\$1,985,365
Full-time equivalent positions	28.50	0.00	28.50

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 41

SENATE BILL NO. 2015

(Appropriations Committee)
(At the request of the Governor)

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, the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new subdivision to subsection 1 of section 54-10-14, and a new section to chapter 54-27 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, entities required to be audited by the state auditor, a report on federal grants, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, and sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for legislative management reports; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
Salaries and wages	\$17,203,386	\$1,314,377	\$18,517,763
Operating expenses	13,363,053	402,201	13,765,254
Emergency commission contingency fund	0	700,000	700,000
Capital assets	2,420,298	6,369,845	8,790,143
Grants	430,000	(375,000)	55,000
Prairie public broadcasting	1,337,138	(337,138)	1,000,000
State student internship program	200,000	0	200,000
Statewide equity plan	<u>15,984,000</u>	<u>(15,984,000)</u>	<u>0</u>
Total all funds	\$50,937,875	(\$7,909,715)	\$43,028,160
Less estimated income	<u>14,688,779</u>	<u>(4,174,318)</u>	<u>10,514,461</u>

Total general fund	\$36,249,096	(\$3,735,397)	\$32,513,699
Full-time equivalent positions	132.50	(1.00)	131.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Prairie public broadcasting	\$2,016,200	\$0
ConnectND	1,000,000	0
Facility management repairs and equipment	2,850,000	0
Administration projects	126,041	0
Federal fiscal stimulus	689,494	0
Capital envelope	0	2,800,000
Capitol complex parking lot repairs	0	800,000
North Dakota 125 anniversary coordinator	0	50,000
Total all funds	\$6,681,735	\$3,650,000
Less estimated income	<u>1,823,635</u>	<u>0</u>
Total general fund	\$4,858,100	\$3,650,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The office of management and budget shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. TRANSFER TO GENERAL FUND FROM STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. During the biennium beginning July 1, 2011, and ending June 30, 2013, the director of the office of management and budget shall transfer \$305,000,000 from the strategic investment and improvements fund to the general fund.

SECTION 5. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpected funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems, during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 6. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State memberships and related expenses	\$611,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

SECTION 7. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency

appropriated general fund spending authority from the state internship program line item contained in section 1 of this Act.

SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13 biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

SECTION 9. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

SECTION 11. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

***SECTION 12. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION.** Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 14. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding.

SECTION 15. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second 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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility	0	532,000	532,000

administrative fund			
Renewable energy development	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Less estimated income	<u>49,308,484</u>	<u>(2,541,728)</u>	<u>46,766,756</u>
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	174,516,769	5,509,037	180,025,806
Grand total general fund	19,522,102	6,953,511	26,475,613
Grand total special funds	174,516,769	4,765,065	179,281,834
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 16. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING — PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.

Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the ~~permanent oil tax trust~~ general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 17. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main

research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	837,800	150,000	987,800
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	<u>25,928,877</u>	<u>(2,800,067)</u>	<u>23,128,810</u>
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	<u>1,598,265</u>	<u>56,460</u>	<u>1,654,725</u>
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	<u>21,737,199</u>	<u>413,134</u>	<u>22,150,333</u>
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	0	0	0
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	<u>45,013,267</u>	<u>(879,692)</u>	<u>44,133,575</u>
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
Less estimated income	<u>13,916,816</u>	<u>1,080,765</u>	<u>14,997,581</u>
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,275,238	\$159,930	\$1,435,168
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	<u>109,469,662</u>	<u>(1,169,470)</u>	<u>108,300,192</u>
Grand total general fund	\$79,913,767	\$17,985,693	\$97,899,460
Grand total special funds	<u>109,469,662</u>	<u>(1,969,470)</u>	<u>107,500,192</u>
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 18. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. PERMANENT OIL TAX TRUST FUND — DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The estimated income general fund line item in subdivision 5 of section 1 of this Act includes \$800,000 from the permanent oil tax trust fund. This operating pool funding is available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under

chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 20. APPROPRIATION - 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 \$150,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

⁹ **SECTION 22.** A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 23. A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 24. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

***SECTION 25.** A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

⁹ Section 62.1-02-13 was created by section 1 of House Bill No. 1438, chapter 503.

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

¹⁰ **SECTION 26. AMENDMENT.** Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~fifty-five~~^{sixty-five} percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

¹¹ **SECTION 27.** A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development.

SECTION 28. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

¹⁰ Section 54-03-20 was also amended by section 8 of House Bill No. 1001, chapter 1.

¹¹ Section 54-10-14 was also amended by section 1 of House Bill No. 1145, chapter 394.

SECTION 29. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 30. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~seven members of the house of representatives and ~~four~~six members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

***SECTION 31. DEPARTMENT OF COMMERCE - TOURISM INFRASTRUCTURE GRANTS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL.** Funding provided to the department of commerce for tourism infrastructure grants in Senate Bill No. 2057, as approved by the sixty-second legislative assembly, may be awarded and spent only upon emergency commission and budget section approval, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 32. EMERGENCY. Sections 13, 19, 21, 23, and 24 of this Act are declared to be an emergency measure.

Approved May 18, 2011
Filed May 18, 2011

* Sections 12, 25, and 31 of Senate Bill No. 2015 were vetoed, see chapter 515.

CHAPTER 42

SENATE BILL NO. 2016

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide appropriations; to provide for transfers; to provide exemptions; to amend and reenact section 37-17.3-08 of the North Dakota Century Code, relating to state radio fees; to provide legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,841,436	\$312,450	\$5,153,886
Operating expenses	3,676,891	386,000	4,062,891
Capital assets	223,670	331,082	554,752
Grants	449,514	60,000	509,514
Civil air patrol	222,836	20,517	243,353
Tuition, recruiting, and retention	2,407,500	0	2,407,500
Air guard contract	9,551,543	1,437,780	10,989,323
Army guard contract	60,058,099	(3,947,342)	56,110,757
Reintegration program	1,377,409	172,740	1,550,149
Veterans' cemetery	489,141	87,775	576,916
Total all funds	\$83,298,039	(\$1,138,998)	\$82,159,041
Less estimated income	<u>67,337,232</u>	<u>(1,615,330)</u>	<u>65,721,902</u>
Total general fund	\$15,960,807	\$476,332	\$16,437,139

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,383,605	\$1,980,139	\$11,363,744
Operating expenses	4,102,057	5,827,965	9,930,022
Capital assets	492,000	1,935,347	2,427,347
Grants	44,402,267	27,017,504	71,419,771
2009 flood disaster	0	52,923,008	52,923,008

Radio communications	<u>0</u>	<u>3,735,000</u>	<u>3,735,000</u>
Total all funds	\$58,379,929	\$93,418,963	\$151,798,892
Less estimated income	<u>52,550,869</u>	<u>86,331,607</u>	<u>138,882,476</u>
Total general fund	\$5,829,060	\$7,087,356	\$12,916,416

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$21,789,867	\$7,563,688	\$29,353,555
Grand total special funds	<u>119,888,101</u>	<u>110,716,277</u>	<u>230,604,378</u>
Grand total all funds	\$141,677,968	\$118,279,965	\$259,957,933
Full-time equivalent positions	232.00	10.00	242.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Motorola lease purchase payment	\$1,525,347	\$1,525,347
Message switch upgrades	0	235,000
Central electronics bank dispatch system	0	1,100,000
Veterans' bonus multiple deployments	500,000	0
Technology projects	3,600,000	100,000
Technology equipment and software purchases	160,000	0
Tornado disaster grants	250,000	0
Snow removal grants	20,000,000	0
2009 flood disaster	105,500,000	0
Volunteer management grants	400,000	0
2009 federal fiscal stimulus	3,783,770	0
State radio tower package	0	1,500,000
Statewide seamless base map	0	900,000
Military service center east	0	72,700
Armory grants	0	60,000
Extraordinary repairs	<u>0</u>	<u>325,381</u>
Total all funds	\$135,719,117	\$5,818,428
Less estimated income	<u>116,783,770</u>	<u>500,000</u>
Total general fund	\$18,935,347	\$5,318,428

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The adjutant general shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION - FLOOD-RELATED COSTS. There is appropriated from special funds derived from federal funds or other income the sum of \$22,500,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of defraying expenses relating to 2011 flood disasters, for the period beginning with the effective date of this Act through June 30, 2013.

SECTION 4. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds which are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. STATE DISASTER RELIEF FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in subdivision 2 of section 1 of this Act, there is appropriated out of any moneys in the state disaster relief fund, not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing the required state share of funding for defraying the expenses associated with presidential-declared state disasters pursuant to section 37-17.1-27.

SECTION 6. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2011, and ending June 30, 2013. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 7. EXEMPTION. Any amounts carried over pursuant to section 3 of chapter 312 of the 2009 Session Laws that is unexpended as of June 30, 2011, is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. EXEMPTION. The amount appropriated in the capital assets line for the next generation 911 study, the state radio tower study, and for a new state radio tower site near Wales in section 1, subdivision 2, of chapter 16 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available for conducting the next generation 911 study and the state radio tower study and for state radio tower enhancements or additions during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 9. AMENDMENT. Section 37-17.3-08 of the North Dakota Century Code is amended and reenacted as follows:

37-17.3-08. State radio system and service fees.

1. The director shall establish the appropriate fees for access to the state radio system and the service provided to local government users of the mobile data terminal system and North Dakota law enforcement telecommunications systems and other such systems that may be employed that enhance public safety. Changes to fees charged by the division, including schedule of charges for counties and cities, will take effect on July first. The director shall announce any fee increases a minimum of one year ~~prior to~~before the effective date. When the director considers an adjustment, as a part of the process the director shall consult with representatives of state and local units of government ~~prior to~~before setting fees. The director may consider economic conditions and the general economy when setting fees. The director shall

deposit all revenue obtained under this chapter with the state treasurer for deposit in the state radio broadcasting system operating account. The state radio broadcasting system operating account must be expended pursuant to legislative appropriation for the operation and maintenance of the system. ~~Fee structures will include:~~

- ~~1-2. Mobile data terminal fees.~~ The division shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies except for local law enforcement agencies using private commercial access to the state message switch. The fees must be based on actual costs incurred by the division for providing the service and will be levied on a per system user basis. State general fund agencies that access the system will not incur any fees for the service.
- ~~2-3.~~ Each county and city law enforcement department that accesses the North Dakota teletype system shall pay a fee based upon fifty percent of the actual costs incurred by the division for providing the service. Fees will be levied on a per terminal basis. Other law enforcement affiliated organizations and federal agencies will pay one hundred percent of the actual costs incurred by the division for providing the service. Fees will be levied on a per terminal basis. State general fund agencies that access the system will not incur any fees for the service. City and county law enforcement fees will be based on the following schedule of charges per terminal:
- a. County population of less than five thousand shall pay ~~thirty~~forty dollars per month.
 - b. County population of five thousand or more but less than ten thousand shall pay ~~sixty~~eighty dollars per month.
 - c. County population of ten thousand or more but less than fifteen thousand shall pay ~~ninety~~one hundred twenty dollars per month.
 - d. County population of fifteen thousand or more but less than twenty-five thousand shall pay one hundred ~~twenty~~sixty dollars per month.
 - e. County population of twenty-five thousand or more shall pay ~~one~~two hundred ~~sixty~~ dollars per month.

SECTION 10. LEGISLATIVE INTENT - STATE RADIO TOWER PACKAGE. It is the intent of the sixty-second legislative assembly that the adjutant general work with other public agencies and private sector entities to maximize the number of state radio tower enhancements or additions that may be implemented within the funding appropriated in subdivision 2 of section 1 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 11. EMERGENCY. Sections 3 and 5 of this Act are declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 43

SENATE BILL NO. 2017

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; to provide for a transfer; to provide legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,580,287	\$2,438,741	\$24,019,028
Operating expenses	12,800,000	(275,507)	12,524,493
Capital assets	3,965,000	218,170	4,183,170
Grants	6,544,000	1,174,500	7,718,500
Land habitat and deer	11,080,162	1,824,524	12,904,686
Noxious weed control	550,000	50,000	600,000
Missouri River enforcement	0	200,000	200,000
Grants, gifts, and donations	400,000	400,000	800,000
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,655,689	93,376	1,749,065
Wildlife services	<u>768,800</u>	<u>100,000</u>	<u>868,800</u>
Total special funds	\$59,463,938	\$6,223,804	\$65,687,742
Full-time equivalent positions	157.00	0.00	157.00

SECTION 2. APPROPRIATION - 2009-11 BIENNIUM WILDLIFE SERVICES - AGRICULTURE COMMISSIONER - LEGISLATIVE INTENT. There is appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the game and fish department for the purpose of providing funds to the agriculture commissioner for the payment of wildlife services, for the period beginning with the effective date of this Act and ending June 30, 2011. It is the intent of the sixty-second legislative assembly that the funding provided in this section is from the estimated savings to the game and fish department resulting from the reduction in property tax liability resulting from provisions of Senate Bill No. 2199 approved by the sixty-first legislative assembly.

SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND - GAME AND FISH FUND. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$300,000 which the office of management and budget shall transfer to the game and fish fund to be provided to the agriculture commissioner, for the biennium beginning July 1, 2011, and ending June 30, 2013. Of

the funding provided in this section, \$199,461 relates to expenses of the state board of animal health and \$100,539 relates to the wildlife services program.

SECTION 4. GRANTS, GIFTS, AND DONATIONS LINE. The grants, gifts, and donations line item in section 1 of this Act includes up to \$400,000 received by the game and fish department for surface damage, easements, or reclamation on department-owned or department-managed properties as a result of mineral exploration and extraction activities.

SECTION 5. MISSOURI RIVER ENFORCEMENT. The Missouri River enforcement line item in section 1 of this Act includes the sum of \$200,000 for salaries and operating expenses of department employees coordinating or performing Missouri River law enforcement activities and for grants to local law enforcement agencies performing Missouri River law enforcement activities. The department may not use any of the funds for the purchase of equipment with a cost of \$3,000 or more.

SECTION 6. EMERGENCY. Funding of \$400,000 included in the grants line item in section 1 of this Act for a grant to the parks and recreation department for costs associated with the project to raise the elevation of the Grahams Island state park access road, funding of \$850,000 included in the land habitat and deer line item in section 1 of this Act relating to hunting access and deer depredation, and section 2 of this Act are declared to be an emergency measure.

Approved May 9, 2011
Filed May 9, 2011

CHAPTER 44

SENATE BILL NO. 2018

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state historical society.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state historical society for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,368,675	\$1,168,985	\$9,537,660
Operating expenses	2,284,210	393,706	2,677,916
Capital assets	2,549,712	286,024	2,835,736
Grants	1,000,000	25,000	1,025,000
Cultural heritage grants	504,500	0	504,500
Yellowstone-Missouri-Fort Union Commission	<u>4,492</u>	<u>0</u>	<u>4,492</u>
Total all funds	\$14,711,589	\$1,873,715	\$16,585,304
Less estimated income	<u>3,658,837</u>	<u>(108,424)</u>	<u>3,550,413</u>
Total general fund	\$11,052,752	\$1,982,139	\$13,034,891
Full-time equivalent positions	62.00	1.00	63.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Marketing \$75,000	\$75,000	
New exhibit development	330,000	90,000
Compact shelving for archives	350,000	0
Heritage center expansion	51,700,000	0
Repairs and small capital projects	666,500	475,000
Federal stimulus funds - 2009	685,000	0
Database migration	0	30,900
Temporary staff	0	59,800
Business analysis	0	10,000
North Dakota eighth grade curriculum	0	125,000
State's 125 th celebration planning	<u>0</u>	<u>50,000</u>
Total all funds	\$53,806,500	\$915,700
Less estimated income	<u>12,685,000</u>	<u>0</u>
Total general fund	\$41,121,500	\$915,700

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The state historical society shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 5. STATE ONSITE PROJECT MANAGER - HERITAGE CENTER ADDITION PROJECT. Notwithstanding section 55-01-02.1, the director of the facility management division of the office of management and budget shall serve as the state onsite project manager for the heritage center addition project until completion of the project. The state onsite project manager has authority to verify and approve all expenditures relating to the project and related exhibits.

Approved May 9, 2011

Filed May 9, 2011

CHAPTER 45

SENATE BILL NO. 2019

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to provide for a transfer; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and the International Peace Garden, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,182,685	\$302,200	\$2,484,885
Natural resources	12,130,307	6,108,106	18,238,413
Recreation	<u>7,660,799</u>	<u>(131,708)</u>	<u>7,529,091</u>
Total all funds	\$21,973,791	\$6,278,598	\$28,252,389
Less estimated income	<u>12,148,054</u>	521,478	<u>12,669,532</u>
Total general fund	\$9,825,737	\$5,757,120	\$15,582,857
Full-time equivalent positions	53.00	1.00	54.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	<u>\$736,854</u>	<u>\$303,845</u>	<u>\$1,040,699</u>
Total general fund	\$736,854	\$303,845	\$1,040,699

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$10,562,591	\$6,060,965	\$16,623,556
Grand total special funds	<u>12,148,054</u>	521,478	<u>12,669,532</u>
Grand total all funds	\$22,710,645	\$6,582,443	\$29,293,088

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Parks capital projects and deferred maintenance	\$2,359,768	\$4,299,210
Parks signage and maps	20,000	0
Parks equipment	0	58,000
Little Missouri state park trail leases	0	85,000
Parks SCORP plan	0	40,000
Parks community grant program	400,000	0
Federal fiscal stimulus - 2009	800,000	0
International Peace Garden capital projects and deferred maintenance	86,600	267,000
International Peace Garden loan repayment	1,850,000	0
International Peace Garden equipment	<u>55,000</u>	<u>0</u>
Total all funds	\$5,571,368	\$4,749,210
Less estimated income	<u>800,000</u>	<u>0</u>
Total general fund	\$4,771,368	\$4,749,210

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. GAME AND FISH OPERATING FUND - TRANSFER - GRAHAMS ISLAND ACCESS ROAD. The sum of \$400,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund and must be transferred to the parks and recreation department to pay a portion of the nonfederal costs to raise the elevation of the Grahams Island state park access road beginning with the effective date of this Act and ending June 30, 2013.

SECTION 5. INTERNATIONAL PEACE GARDEN CONSERVATORY ADDITION. The International Peace Garden line item in subdivision 2 of section 1 of this Act includes \$242,000 from the general fund for the state's share of the cost to build an expansion onto the conservatory for a cactus collection. The International Peace Garden must obtain the remaining funding of \$242,000 needed for the project from nonstate sources prior to beginning the project.

SECTION 6. EMERGENCY. Section 4 of this Act and \$575,000 included in the natural resources line item in section 1 of this Act, \$400,000 relating to the Grahams Island access road project and \$175,000 relating to the Fort Stevenson state park marina electric and water service project, are declared to be an emergency measure.

Approved May 9, 2011

Filed May 9, 2011

CHAPTER 46

SENATE BILL NO. 2020

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to create and enact a new subsection to section 11-37-02 and a new section to chapter 61-04 of the North Dakota Century Code, relating to joint powers entities and commerce authorities and metering certain water sources; to amend and reenact subsection 2 of section 11-37-03, section 11-37-04, subsection 8 of section 11-37-06, and subsection 1 of section 11-37-08 of the North Dakota Century Code and section 7 of chapter 20 of the 2009 Session Laws, relating to conversion of joint powers entities to commerce authorities and additional powers of commerce authorities and Fargo flood control project funding; to provide exemptions; to provide a transfer; to repeal section 5 of chapter 535 of the 1999 Session Laws, relating to pledge of revenues from the Grand Forks corporate center; to provide legislative intent; to provide for retroactive application; to provide for application; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning with the effective date of this Act, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grants local cost-share	\$0	\$500,000	\$500,000
Beaver bay feasibility study	342,000	(342,000)	0
Administrative and support services	2,977,674	252,199	3,229,873
Water and atmospheric resources	307,768,034	140,645,740	448,413,774
Federal stimulus funds	0	7,271,773	7,271,773
Total all funds	\$311,087,708	\$148,327,712	\$459,415,420
Less estimated income	297,263,809	147,156,412	444,420,221
Total general fund	\$13,823,899	\$1,171,300	\$14,995,199
Full-time equivalent positions	86.00	1.00	87.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Federal stimulus funds	\$12,000,000	\$7,271,773
Ray/Tioga, Burke/Divide/Williams, Wildrose and Stanley water projects	2,792,000	500,000
Total special funds	\$14,792,000	\$7,771,773

The 2011-13 one-time funding amounts are not part of the entity's base budget for the 2013-15 biennium. The state water commission shall report to the appropriations committees of the sixty-third legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. SOVEREIGN LANDS ENFORCEMENT GRANT. The administrative and support services line item in section 1 of this Act includes \$200,000 from the general fund that the state water commission shall provide as a grant to the game and fish department for law enforcement activities on sovereign lands in the state, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION APPROVAL. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund that become available are appropriated to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2011, and ending June 30, 2013. The state water commission shall request and receive budget section approval prior to the expenditure of any funds in excess of the \$448,413,774 of funding appropriated in the water and atmospheric resources line item in section 1 of this Act.

SECTION 5. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the water and atmospheric resources line item in section 1 of this Act. However, this exclusion is only in effect for two years after June 30, 2013. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 6. AMENDMENT. Section 7 of chapter 20 of the 2009 Session Laws is amended and reenacted as follows:

SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$45,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2009, and ending June 30, 2011. Any funds not spent by June 30, 2011, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects. These Except as otherwise provided, these funds may be used only for land purchases and construction; including right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than ten percent of these funds may not be used for administration, engineering, legal, planning, or other similar purposes; and are not subject to the sixty five percent funding requirement contained in Senate Bill No. 2316 (2009). The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state.

SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$30,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2011, and ending June 30, 2013. Any funds not spent by June 30, 2013, are not subject to section 54-44.1-11 and must be continued into the next or

subsequent bienniums and may be expended only for Fargo flood control projects. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state.

SECTION 8. LEGISLATIVE INTENT - STATE WATER COMMISSION PROJECTS AND GRANTS. It is the intent of the sixty-second legislative assembly that of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, the state water commission provide funding for the following grants and projects, for the biennium beginning with the effective date of this Act, and ending June 30, 2013:

Grant to wildlife services for animal control	\$250,000
Flood-related water projects in the Nelson County water resource district	\$250,000

***SECTION 9. LEGISLATIVE INTENT - REMOTE METERING OF WATER PERMITS - FUNDING.** It is the intent of the sixty-second legislative assembly that of the funds appropriated from the resources trust fund in the water and atmospheric resources line item in section 1 of this Act, the state water commission provide up to \$500,000 for a reimbursement program for the purchase and installation of remote water metering devices, for the biennium beginning with the effective date of this Act and ending June 30, 2013.

SECTION 10. A new subsection to section 11-37-02 of the North Dakota Century Code is created and enacted as follows:

Provide a method to convert an existing joint powers entity to a commerce authority for the purpose of achieving status as a political subdivision.

SECTION 11. AMENDMENT. Subsection 2 of section 11-37-03 of the North Dakota Century Code is amended and reenacted as follows:

- Two or more political subdivisions, whether in this state or in an adjoining state provided that at least one political subdivision is in this state, may create by execution of a joint agreement authorized by resolution of the governing body of each participating subdivision, a commerce authority that may exercise its functions upon the issuance by the secretary of state of a certificate of incorporation. Two or more political subdivisions, which are parties to a joint powers agreement under chapter 54-40 or 54-40.3, may convert an existing joint powers entity to a commerce authority by execution of a joint agreement authorized by resolution of the governing body of each participating political subdivision. The governing bodies of the participating political subdivisions shall appoint, pursuant to the joint agreement, no fewer than five persons as commissioners of the commerce authority.

SECTION 12. AMENDMENT. Section 11-37-04 of the North Dakota Century Code is amended and reenacted as follows:

11-37-04. Filing of agreement and resolutions - Certificate of incorporation - Beginning of corporate existence.

The joint agreement, if applicable, and a certified copy of the resolution of each political subdivision creating or agreeing to participate in a commerce authority, or converting an existing joint powers entity to a commerce authority, must be filed with the secretary of state. If the agreement and resolutions conform to the requirements of section 11-37-03, the secretary of state shall issue a certificate of incorporation that states the name of the commerce authority and the date of incorporation. The existence of the commerce authority as a political subdivision of this state begins upon the issuance of the certificate of incorporation. The certificate of incorporation is conclusive evidence of the existence of the commerce authority.

SECTION 13. AMENDMENT. Subsection 8 of section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

8. Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions, or coextensive with the geographical boundaries of the area to be served by the commerce authority.

SECTION 14. AMENDMENT. Subsection 1 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

1. A commerce authority may borrow money and issue bonds, including refunding bonds, in the form and upon the terms as it may determine, payable out of any revenues of the commerce authority. If a commerce authority is formed by conversion of a joint powers entity to a commerce authority under subsection 2 of section 11-37-03, the commerce authority may borrow money and issue bonds to refinance existing obligations of the participating political subdivisions without the provisions of subsection 8 as long as the existing obligations were incurred by the participating political subdivision for the benefit of the converted joint powers entity.

***SECTION 15.** A new section to chapter 61-04 of the North Dakota Century Code is created and enacted as follows:

Metering of certain water sources required - Rules.

The state engineer shall require permitholders to purchase and maintain remote metering devices for the metering of water used pursuant to a temporary, conditional, or perfected water permit and sold for oil and gas purposes. The metering requirement must not apply to water permits used exclusively for irrigation purposes or to temporary permits that have been returned to irrigation use. Except for nonpotable ground water used for enhanced oil recovery purposes and water uses of less than fifteen acre-feet per year, all other permitted and temporarily permitted industrial water supplies sold for oil and gas purposes are subject to the metering requirements of this section. The state engineer shall develop rules to provide:

1. The specifications for remote terminal water metering devices;
2. That metering be operational by July 1, 2012;
3. That meters be available for inspection by state water commission staff on a daily basis;

4. That meters be sealed and tamperproof;
5. That meters may be replaced only under supervision of the state engineer;
6. That the penalty for circumventing the provisions of this section must be a thirty-day suspension of the noncompliant permit; and
7. That subsequent violations within a year result in a doubling of the penalty for the prior violation.

The state engineer shall establish a reimbursement policy for the purchase and installation of the remote terminal water metering devices. Permitholders may apply to the state engineer for reimbursement of one-half of the cost of a qualifying metering device, including installation, up to a total reimbursement of five thousand dollars per metering device installed.

SECTION 16. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM. The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 25 of the 2009 Session Laws to the water commission fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 17. APPLICATION. A commerce authority formed by the conversion of a joint powers agreement under this Act remains a valid commerce authority after the expiration date of this Act. Sections 10 through 14 of this Act do not grant any additional authority to exercise the power of eminent domain or issue general obligation bonds to a commerce authority formed by a conversion of a joint powers agreement under this Act.

SECTION 18. EXPIRATION DATE. Sections 10 through 14 of this Act are effective through July 31, 2013, and after that date are ineffective.

SECTION 19. REPEAL. Section 5 of chapter 535 of the 1999 Session Laws is repealed.

SECTION 20. RETROACTIVE APPLICATION. Section 6 of this Act applies retroactively to January 1, 2011.

SECTION 21. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 18, 2011
Filed May 18, 2011

* Sections 9 and 15 of Senate Bill No. 2020 were vetoed, see chapter 516.

CHAPTER 47

SENATE BILL NO. 2021

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total special funds	\$56,877,605	\$1,535,688	\$58,413,293
Full-time equivalent positions	247.14	0.00	247.14

Approved May 5, 2011

Filed May 5, 2011

CHAPTER 48

SENATE BILL NO. 2022

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies; to provide an exemption; to provide various transfers; to amend and reenact sections 15-39.1-08, 21-10-01, and 54-52-03 of the North Dakota Century Code, relating to the per day compensation rates for the board of trustees of the teachers' fund for retirement, state investment board, and retirement board; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,674,080	\$529,034	\$3,203,114
Operating expenses	949,570	(1,730)	947,840
Contingencies	<u>82,000</u>	<u>0</u>	<u>82,000</u>
Total special funds	\$3,705,650	\$527,304	\$4,232,954
Full-time equivalent positions	17.00	1.00	18.00

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,236,489	\$327,018	\$4,563,507
Operating expenses	1,659,999	303,384	1,963,383
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total all funds	\$6,146,488	\$630,402	\$6,776,890
Less estimated income	<u>6,133,488</u>	<u>643,402</u>	<u>6,776,890</u>
Total general fund	\$13,000	(\$13,000)	\$0
Full-time equivalent positions	33.00	0.00	33.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$13,000	(\$13,000)	\$0
Grand total special funds	<u>9,839,138</u>	<u>1,170,706</u>	<u>11,009,844</u>
Grand total all funds	\$9,852,138	\$1,157,706	\$11,009,844
Full-time equivalent positions	50.00	1.00	51.00

SECTION 2. EXEMPTION. The amount appropriated for the PERSLINK system, and approved for carryover to the 2009-11 biennium is not subject to the provisions of section 54-44.1-11. Any unexpended funds carried over pursuant to this section are available for the completion of the PERSLINK system during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the respective boards, the retirement and investment office and the public employees retirement system may transfer from their respective contingencies line items in subdivisions 1 and 2 of section 1 of this Act to all other line items. The agencies shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 4. AMENDMENT. Section 15-39.1-08 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-08. Compensation of members.

Members of the board, excluding ex officio members, are entitled to receive ~~sixty-two one hundred forty-eight dollars and fifty cents~~ as compensation per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the board. No member of the board may lose regular salary, vacation pay, vacation or any personal leave, or be denied right of attendance by the state or political subdivision thereof while serving on official business of the fund.

SECTION 5. AMENDMENT. Section 21-10-01 of the North Dakota Century Code is amended and reenacted as follows:

21-10-01. State investment board - Membership - Term - Compensation - Advisory council.

1. The North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of workforce safety and insurance, the insurance commissioner, three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board, two of the elected members of the public employees retirement system board as selected by that board, and one member of the public employees retirement system board as selected by that board. The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The

public employees retirement system board may appoint an alternate designee with full voting privileges from the public employees retirement system board to attend meetings of the state investment board when a selected member is unable to attend. The members of the state investment board, except elected and appointed officials and the director of workforce safety and insurance or the director's designee, are entitled to receive as compensation ~~sixty-two one hundred forty-eight~~ sixty-two one hundred forty-eight dollars and ~~fifty cents~~ fifty cents per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.

2. The state investment board may establish an advisory council composed of individuals who are experienced and knowledgeable in the field of investments. The state investment board shall determine the responsibilities of the advisory council. Members of the advisory council are entitled to receive the same compensation as provided the members of the advisory board of the Bank of North Dakota and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09.

¹² **SECTION 6. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

54-52-03. Governing authority.

A state agency is hereby created to constitute the governing authority of the system to consist of a board of seven persons known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. No employee of the public employees retirement system or the state retirement and investment office may serve on the board.

1. One member of the board must be appointed by the governor to serve a term of five years. The appointee must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management. The citizen member is chairman of the board.
2. One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.
3. The state health officer appointed under section 23-01-05 is a member of the board.
4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.

¹² Section 54-52-03 was also amended by section 6 of Senate Bill No. 2109, chapter 431.

5. One board member must be elected by and from among those persons who are receiving retirement benefits or who are eligible to receive deferred vested retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the persons eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.
6. The members of the board are entitled to receive ~~sixty-two one hundred forty-eight~~ forty-eight dollars ~~and fifty cents~~ per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
7. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and four of the seven board members constitute a quorum. Four votes are necessary for resolution or action by the board at any meeting.

SECTION 7. OASIS FUND TRANSFER. The office of management and budget shall transfer any balance remaining in the oasis retirement fund to the general fund on or before June 30, 2011.

SECTION 8. EMERGENCY. Section 7 of this Act is declared to be an emergency measure.

Approved May 9, 2011

Filed May 9, 2011

CHAPTER 49

SENATE BILL NO. 2023

(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; to provide for a transfer; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sums as hereinafter provided or so much of the sums as may be necessary, and from special funds derived from the property tax relief sustainability fund in the state treasury. These sums increase the general fund and special fund authority enacted by the sixty-first legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 2011, and ending June 30, 2011, as follows:

Subdivision 1.

OFFICE OF THE TAX COMMISSIONER

Homestead tax credit	\$1,349,000
Disabled veteran credit	<u>461,000</u>
Total general fund appropriation	\$1,810,000

Subdivision 2.

VALLEY CITY STATE UNIVERSITY

2009 flood expenditures	<u>\$58,904</u>
Total general fund appropriation	58,904

Subdivision 3.

DEPARTMENT OF PUBLIC INSTRUCTION

Grants - Mill levy reductions	<u>\$4,233,000</u>
Total special funds	\$4,233,000
Grand total general fund appropriation	\$1,868,904
Grand total special funds	\$4,233,000
Grand total all funds	\$6,101,904

SECTION 2. TRANSFER TO PROPERTY TAX RELIEF SUSTAINABILITY FUND FROM PERMANENT OIL TAX TRUST FUND. Before June 30, 2011, the director of the office of management and budget shall transfer \$4,233,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 50

SENATE BILL NO. 2057

(Legislative Management)
(Workforce Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to create and enact section 10-30.5-13, a new chapter to title 17, two new sections to chapter 54-60, a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a small business technology investment program, a biofuel blender pump incentive program, the internship fund, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-03, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide for a legislative management study; to provide a vaccinology initiative grant; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide legislative intent; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2011, and ending June 30, 2013 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,020,840	\$837,411	\$10,858,251
Operating expenses	14,478,272	(451,622)	14,026,650
Capital assets	25,000	45,018	70,018
Grants	65,411,058	(5,383,064)	60,027,994
Discretionary funds	928,083	(1)	928,082
Workforce enhancement	0	375,000	375,000
Economic development initiatives	186,846	0	186,846
Agricultural products utilization	2,536,630	203,137	2,739,767
Centers of excellence	0	12,000,000	12,000,000
North Dakota trade office	2,064,000	549,400	2,613,400
Partner programs	2,022,044	50,000	2,072,044
Federal fiscal stimulus funds	0	<u>24,496,750</u>	<u>24,496,750</u>
Total all funds	\$97,672,773	\$32,722,029	\$130,394,802
Less estimated income	<u>69,666,470</u>	<u>18,968,467</u>	<u>88,634,937</u>
Total general fund	\$28,006,303	\$13,753,562	\$41,759,865
Full-time equivalent positions	68.00	0.25	68.25

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Workforce enhancement fund	\$1,000,000	\$375,000
American Indian business office	0	50,000
Biofuel blender pumps	1,000,000	0
Promotion and marketing of USS North Dakota	100,000	0
Lewis and Clark foundation grants	1,500,000	0
Theodore Roosevelt Medora foundation grant	500,000	0
Child care grants and loans	1,820,000	0
Centers of research excellence	19,500,000	12,000,000
Electronic portfolio pilot project	0	150,000
2020 and beyond	0	50,000
Great plains applied energy research center	5,000,000	0
Equine processing study	50,000	0
Federal fiscal stimulus	<u>68,594,635</u>	<u>24,496,750</u>
Total all funds	\$99,064,635	\$37,121,750
Less estimated income	<u>68,594,635</u>	<u>24,496,750</u>
Total general fund	\$30,470,000	\$12,625,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of commerce shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. AMENDMENT. Section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-02. (Effective through July 31, ~~2011~~2013) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary

sector business. A grant must be made as part of a package of financing in which the state is a participant.

4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.
5. Moneys in the development fund may be used to provide financing to early childhood facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or loans to match grants or loans made by county-authorized or city-authorized development corporations, job development authorities created under chapter 11-11.1 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real estate facilities or for acquiring equipment for establishing or expanding a licensed early childhood facility. In providing financing under this subsection, the corporation shall ensure funds are distributed fairly among for-profit early childhood facilities, nonprofit early childhood facilities, and public early childhood facilities. An award under this subsection may not exceed one hundred thousand dollars per award.

(Effective after July 31, 2014) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

SECTION 4. Section 10-30.5-13 of the North Dakota Century Code is created and enacted as follows:

10-30.5-13. Small business technology investment program.

1. The corporation shall administer a small business technology investment program that provides matching investments to startup technology-based businesses.
2. The following provisions apply to small business technology investments:
 - a. A qualified applicant:
 - (1) Must be a North Dakota business that is at the startup stage:
 - (2) Must be a primary sector business in the technology field; and
 - (3) Shall meet underwriting guidelines established by the corporation.
 - b. Before the corporation distributes funds under this section, the recipient shall provide the corporation with detailed documentation of the availability of two dollars of angel fund investment matching funds for each dollar of state funds distributed under this section. The matching funds must be cash, must come from a North Dakota angel fund certified under section 57-38-01.26, and may not be an in-kind asset.
3. An investment under this section may not exceed fifty thousand dollars. Eligible use of the investment funds include developing a proof of concept. A recipient may not receive more than one award under this section.
4. An investment under this section is not a business incentive under chapter 54-60.1.

SECTION 5. AMENDMENT. Section 15-69-01 of the North Dakota Century Code is amended and reenacted as follows:

15-69-01. (Effective through July 31, 2011) Definitions.

In this chapter, unless the context otherwise requires:

1. "Board" means the state board of higher education.
2. "Center" means a center of excellence relating to economic development which has been designated or named under this chapter.
3. "Commission" means the centers of excellence commission.
4. "Department" means the department of commerce.
5. "Foundation" means the North Dakota economic development foundation.
5. "Industry cluster" means one of the following industries:
 - a. ~~Advanced manufacturing;~~
 - b. ~~Energy;~~
 - c. ~~Information and technology;~~

- d. ~~Tourism;~~
 - e. ~~Value-added agriculture; or~~
 - f. ~~An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
6. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.

SECTION 6. AMENDMENT. Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

15-69-03. ~~(Effective through July 31, 2011) Centers of excellence commission.~~

The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new member for the remainder of the term. Terms of commission members must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.

SECTION 7. AMENDMENT. Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

15-69-04. ~~(Effective through July 31, 2011) Application — Eligibility requirementsCenters of excellence program.~~

1. ~~The department of commerce shall provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission. No more than two applications per campus of an institution of higher education under the control of the board may be submitted to the department of commerce for each round of center funding.~~
2. ~~The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission approved proposed centers; direct~~

the department of commerce to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.

3. ~~In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:~~
 - a. ~~Use university or college research to promote private sector job growth and expansion of knowledge based industries or use university or college research to promote the development of new products, high tech companies, or skilled jobs in this state;~~
 - b. ~~Create high value private sector employment opportunities in this state;~~
 - c. ~~Provide for public private sector involvement and partnerships;~~
 - d. ~~Leverage other funding, including cash from the private sector;~~
 - e. ~~Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;~~
 - f. ~~Foster and practice entrepreneurship;~~
 - g. ~~Promote the commercialization of new products and services in industry clusters;~~
 - h. ~~Become financially self sustaining; and~~
 - i. ~~Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.~~
4. ~~In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.~~
5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

SECTION 8. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds - Distribution of funds.

1. A center shall use funds awarded under this chapter to enhance capacity and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the ~~board~~ department, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
 - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
 - b. Verification of compliance with the centers of excellence program matching fund requirements;
 - c. Verification awarded center funds were used for authorized uses;
 - d. Verification the center complied with the center's application timeline and any authorized revisions;
 - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
 - f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
 - g. Verification of a sample of labor charged to the center; and
 - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
3. Before the commission directs the department of commerce to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed

under this chapter. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. ~~In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.~~

4. The commission shall direct the department of commerce to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
5. If, before funds are distributed by the department of commerce, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department of commerce withhold all or a portion of any undistributed funds pending commission review of the changes.
6. ~~The commission~~department may use funds ~~appropriated for available within the centers of excellence program fund~~ to pay for the ~~commission's department's~~ administrative expenses, ~~which may include contracting for independent, expert reviews of complete applications and centers of excellence forums related to this program.~~ The amount of funds the commission uses each biennium for administrative expenses may not exceed ~~two and one half percent of the funds appropriated for the program that biennium.~~

SECTION 9. A new chapter to title 17 of the North Dakota Century Code is created and enacted as follows:

Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable resource such as vegetable oil or animal fat.
2. "E85 fuel" means a petroleum product that:
 - a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline;
 - b. Typically contains eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and
 - c. Complies with the American society for testing materials specification D 5798-96.
3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or distributor for resale to a consumer at a retail location.

4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump from an underground or aboveground storage tank into the supply tank of a motor vehicle.

Biofuel blender pump incentive program - Administration.

1. The department of commerce shall administer the biofuel blender pump incentive program to provide cost-share grants of up to a maximum of twenty thousand dollars per retail location to motor fuel retailers for the installation of biofuel blender pumps and up to fourteen thousand dollars per retail location for the installation of associated equipment, including the piping systems and storage components, when blender pumps are installed for a maximum grant of thirty-four thousand dollars per location.
2. In determining eligibility for grant funds, the department shall establish by rule criteria governing:
 - a. The verification of costs for biofuel blender pumps and associated equipment, including the piping system and storage components;
 - b. The eligibility of grant recipients;
 - c. The application and grant award procedure; and
 - d. Reporting and accountability procedures for grant recipients.

Blender pumps - Requirements.

1. To qualify for a grant under this chapter, a retailer must install an ethanol blender pump and an associated storage and piping system. The pump must be the type that:
 - a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the purchaser;
 - b. Is manufactured to an industry standard and carries a warranty for compatibility with dispenser components and storage and piping systems;
 - c. Has at least four hoses and dispenses the following:
 - (1) Either a blend of ten percent ethanol or the minimum blend percentage approved for all vehicles by the United States environmental protection agency;
 - (2) A blend of at least twenty percent ethanol; and
 - (3) E85 fuel; and
 - d. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.
2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel blender pump that:
 - a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio selected by the purchaser; and

- b. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.

Biofuel blender pump incentive program - Administrative costs.

The department may use up to five percent of any amount appropriated to the biofuel blender pump incentive program for administration, the dissemination of information regarding the biofuel blender pump incentive program, and the dissemination of information regarding the benefits of biofuels.

SECTION 10. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Internship fund - Continuing appropriation.

The internship fund is a special fund in the state treasury. All funds in the internship fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering section 54-60-17. Interest earned by the fund must be credited to the fund.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Division of workforce development - Pilot program - Higher education electronic portfolio system.

1. The division of workforce development, the North Dakota university system, job service North Dakota, and representatives of the institutions of higher education under the control of the state board of higher education shall work together to establish a pilot program through which an electronic portfolio system will be implemented by selected institutions of higher education under the control of the state board of higher education in order to address the needs of students, faculty, and employers. The pilot program may include Valley City state university and the North Dakota state college of science. If Valley City state university or the North Dakota state college of science chooses not to participate, any other institution of higher education under the control of the state board of higher education may participate in this pilot program.
2. The pilot program must provide for an electronic portfolio system that:
 - a. Is online;
 - b. Is a multimedia system that enables the user to create and manage the user's education and career information;
 - c. Enables students, job seekers, and professionals to showcase education and skills to potential employers;
 - d. Provides for creation of and access to lifelong personal electronic portfolio accounts and services to students, job seekers, and professionals seeking to advance their careers in the state;
 - e. Provides access to job seekers residing outside the state who may be interested in relocating or returning to the state; and

- f. Allows employers and economic developers to conduct online searches to determine workforce potential by geographic region, skill, education, experience, and other factors.
3. Under this pilot program, the North Dakota university system, job service North Dakota, and the division of workforce development shall work together to:
 - a. Facilitate the effective integration of future workers into the workforce system and to enhance the ability of state and local economic development officials to effectively access North Dakota's skilled workforce through the system; and
 - b. Ensure the system is complementary to the state's workforce system and higher education system.
4. The division of workforce development shall administer the pilot program.
5. The division of workforce development shall report to the budget section on the use of the funding provided for this program, including an overview of the program, program expenditures, and statistics on the effectiveness of the program.

SECTION 12. A new chapter to title 54 of the North Dakota Century Code is created and enacted as follows:

Definitions.

In this chapter, unless the context otherwise requires:

1. "Center" means a center of research excellence that has been designated under this chapter.
2. "Commission" means the centers of excellence commission as defined under chapter 15-69.
3. "Department" means the department of commerce.
4. "Industry cluster" means one of the following industries:
 - a. Advanced manufacturing;
 - b. Energy;
 - c. Information and technology;
 - d. Value-added agriculture; or
 - e. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.
5. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.

6. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

Centers of research excellence - Application - Eligibility.

1. The department shall establish a centers of research excellence program. The commission shall make funding award determinations under this program. A center must be a research university or a nonprofit university-related or college-related foundation of a research university which is working in partnership with the private sector.
2. The department shall provide center application forms, accept applications, review applications for completeness and compliance with commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission.
3. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
4. In considering whether to approve or disapprove a center application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. Use university research to promote private sector job growth and expansion of knowledge-based industries or use university research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding, including cash from the private sector;
 - e. Promote the commercialization of new products and services in industry clusters; and
 - f. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
5. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission

may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.

6. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

Use of funds - Terms of funds - Distribution of funds - Postaward monitoring.

1. A center shall use center grant funds to enhance capacity and leverage state, federal, and private sources of funding. A center awarded center funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.
3. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
 - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
 - b. Verification of compliance with the centers of excellence program matching fund requirements;
 - c. Verification awarded center funds were used for authorized uses;
 - d. Verification the center complied with the center's application timeline and any authorized revisions;
 - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;

- f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
 - g. Verification of a sample of labor charged to the center; and
 - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
4. Before the commission directs the department to distribute center funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission shall give major consideration to the portion of the matching funds provided in cash by the private sector.
 5. The commission shall direct the department to distribute the center funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of center funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
 6. If, before center funds are distributed by the department, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department withhold all or a portion of any undistributed funds pending commission review of the changes.
 7. The commission may use funds appropriated for the centers of research excellence program to pay for the commission's administrative expenses.

Base realignment grants.

As part of the centers of research excellence program, the department of commerce shall establish and administer a base realignment grant program to provide grants to a research university or a nonprofit university-related foundation to enhance economic development and employment opportunities associated with the Grand Forks air force base resulting from action by the federal defense base closure and realignment commission and infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks air force base. Under this program, the commission shall make grant award determinations. The department shall work with the commission in establishing guidelines to qualify for a grant under this section.

Centers of research excellence fund - Continuing appropriation.

The centers of research excellence fund is a special fund in the state treasury. All moneys in the centers of research excellence fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and

administering this chapter. Interest earned on moneys in the fund must be credited to the fund.

¹³ **SECTION 13.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Automating manufacturing processes tax credit under section 14 of this Act.

SECTION 14. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.

1. A taxpayer that is a primary sector business is allowed a nonrefundable credit against the tax imposed under section 57-38-30 or 57-38-30.3 for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes in this state. The amount of the credit under this section is twenty percent of the costs incurred in the taxable year to purchase manufacturing machinery and equipment for the purpose of automating manufacturing processes. Qualified expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed by law.
2. For purposes of this section:
 - a. "Manufacturing machinery and equipment for the purpose of automating manufacturing processes" means new or used automation and robotic equipment.
 - b. "Primary sector business" means a business certified by the department of commerce which, through the employment of knowledge or labor, adds value to a product, process, or service that results in the creation of new wealth.
3. The taxpayer shall claim the total credit amount for the taxable year in which the manufacturing machinery and equipment are purchased. The credit under this section may not exceed the taxpayer's liability as determined under this chapter for any taxable year.
4. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
5. The aggregate amount of credits allowed under this section may not exceed two million dollars in any calendar year. Credits subject to this limitation must be determined based upon the date of the qualified purchase.

¹³ Section 57-38-30.3 was also amended by section 7 of Senate Bill No. 2210, chapter 398, section 7 of House Bill No. 1047, chapter 457, section 8 of House Bill No. 1124, chapter 459, section 10 of Senate Bill No. 2034, chapter 460, section 1 of House Bill No. 1072, chapter 462, and section 1 of Senate Bill No. 2208, chapter 463.

6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return.
7. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
8. The department of commerce shall provide the tax commissioner the name, address, and federal identification number or social security number of the taxpayer approved as qualifying for the credit under this section, and a list of those items that were approved as a qualified expenditure by the department. The taxpayer claiming the credit shall file with the taxpayer's return, on forms prescribed by the tax commissioner, the following information:
 - a. The name, address, and federal identification number or social security number of the taxpayer who made the purchase; and
 - b. An itemization of:
 - (1) Each item of machinery or equipment purchased for automation;
 - (2) The amount paid for each item of machinery or equipment if the amount paid for the machinery or equipment is being used as a basis for calculating the credit; and
 - (3) The date on which payment for the purchase was made.
9. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38.

SECTION 15. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 16. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 17. EXEMPTION - TRANSFER. The amount appropriated for internships contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer any unexpended funds from this appropriation to the internship fund at the end of the 2011-13 biennium.

SECTION 18. EXEMPTION - TRANSFER. Of the \$5,000,000 appropriated for the great plains applied energy research center in section 1 of chapter 26 of the 2009 Session Laws, \$4,100,000 is not subject to section 54-44.1-11. The department of commerce shall spend these funds for the purposes provided for in this section, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall transfer \$1,000,000 of these funds to the North Dakota development fund, incorporated, for the purpose of providing investments to startup stage technology-based businesses under section 4 of this Act. The office of management and budget shall transfer \$1,125,000 of these funds to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22. The department of commerce shall use \$750,000 of these funds for tourism infrastructure grants. The department of commerce shall use \$600,000 of these funds for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma. The department of commerce shall use \$325,000 for providing a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission. The department of commerce shall use \$300,000 for a grant to a not-for-profit organization assisting individuals with business ideas.

SECTION 19. EXEMPTION. The amount appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 20. EXEMPTION. The amount appropriated for early childhood facility grants in section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. EXEMPTION. The amount appropriated for the biofuel blender pump incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 22. EXEMPTION. The amount appropriated for the promotion and marketing of the USS North Dakota contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 23. TRANSFER - WORKFORCE ENHANCEMENT FUND. The office of management and budget shall transfer the amount appropriated in the workforce enhancement line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 24. TRANSFER - CENTERS OF RESEARCH EXCELLENCE FUND - USES. The office of management and budget shall transfer the amount appropriated in the centers of research excellence line item in section 1 of this Act to the centers of research excellence fund for the purpose of implementing and administering the centers of research excellence grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. Of the funds transferred, the centers of excellence commission may use up to \$4,000,000 for a limited deployment-cooperative airspace project grant as provided in section 28 of this Act. Of the \$8,000,000 remaining, the centers of

excellence commission may not award more than \$4,000,000 to one research university or nonprofit foundation related to that research university. Of the \$4,000,000 available to the university of North Dakota, \$3,000,000 shall be used for base realignment grants. The commission may use any funds that are not committed within the first eighteen months of the biennium for the centers of research excellence program.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$900,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund.

SECTION 26. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total North Dakota trade office special line and the general fund appropriation in section 1 of this Act include \$2,613,400 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department for the biennium beginning July 1, 2011, and ending June 30, 2013. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 27. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,100,000, or so much of the sum as may be necessary, to the department of human services, for the purpose of providing grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided for in section 50-11.1-14.1, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 28. CENTERS OF RESEARCH EXCELLENCE LIMITED DEPLOYMENT-COOPERATIVE AIRSPACE PROJECT GRANT. The department of commerce may use \$4,000,000 of the funds transferred to the centers of research excellence fund in section 24 of this Act for grants to the North Dakota university system's research institutions for the purpose of leveraging private and federal funding to advance state opportunities associated with a limited deployment-cooperative airspace project in the state during the biennium beginning July 1, 2011, and ending June 30, 2013. Up to \$2,700,000 of this amount may be awarded to the university of North Dakota and up to \$1,300,000 to North Dakota state university. The commissioner of commerce shall develop application criteria, review submitted applications, and recommend applications for approval to the centers of excellence commission. The commission may use any funds available under this section which are not committed by July 1, 2012, for the centers of research excellence program. Of the remaining available funds, the commission may not award more than one-half to one research university or nonprofit foundation related to that research university.

SECTION 29. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND BEYOND INITIATIVE.

1. During the 2011-12 interim, the North Dakota economic development foundation shall contract with an organization with North Dakota business membership which is statewide in scope and represents business interests across the state in order to conduct a 2020 and beyond initiative. The 2020 and beyond initiative must include periodic meetings of six legislators

appointed by the chairman of the legislative management, with two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party and two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party; individuals representing North Dakota business interests, individuals representing North Dakota education interests, and individuals representing state and local government interests.

2. The 2020 and beyond initiative must:
 - a. Assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends in the state;
 - b. Study and assess successful models of other states and countries in creating economic growth and whether those models could be replicated and improved upon in this state;
 - c. Evaluate the effectiveness of programs and investments in the state designed to develop the state's workforce and to attract and retain businesses in the state;
 - d. Identify impediments to and opportunities for economic growth and job creation in the state;
 - e. Consider what new investments in infrastructure and changes to the state's tax and regulatory environment could be made to maintain and increase the state's standing as a business-friendly state;
 - f. Evaluate the state's higher education model to determine whether maximum opportunities for synergy between public and private sectors are being realized;
 - g. Consider how higher education institutions in the state could spur economic development in the state through innovation, knowledge transfer, and community engagement;
 - h. Find ways to unite public, nonprofit, and business interests behind common goals and solutions for faster, better results; and
 - i. Make recommendations to the North Dakota economic development foundation based on the outcome of the initiative.
3. The legislative members of the 2020 and beyond initiative are entitled to receive compensation and expenses from the legislative council in the same manner as provided for members of the legislative management committees under section 54-35-10.
4. The grants line item in section 1 of this Act includes the sum of \$50,000 from the general fund for providing a grant to implement the 2020 and beyond initiative.

SECTION 30. DEPARTMENT OF COMMERCE GRANT - INSTITUTION OF HIGHER EDUCATION VACCINOLOGY INITIATIVE. Of the funds appropriated in the discretionary funds line item in section 1 of this Act, \$50,000 from the general fund

may be used by the department of commerce to provide a matching grant to an institution of higher education for a vaccinology initiative. The department shall require one dollar of matching funds from the institution for each one dollar of state funds awarded as a grant.

SECTION 31. LEGISLATIVE MANAGEMENT STUDY - EXAMINATION OF POPULATION GROWTH IMPACT ON REVENUES. During the 2011-12 interim, the legislative management shall consider studying the development of a reliable means of estimating the effect of future population growth on state and local government revenues. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 32. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD SERVICES PROVIDER TRAINING AND ASSISTANCE. During the 2011-12 interim, the legislative management shall consider studying the means by which training and assistance are provided to early childhood services providers and the efficiency of administering training and assistance to early childhood services providers, including whether there is duplication of efforts. The study should review the effectiveness of funding provided to the department of human services for early childhood care, including workforce development, child care capacity, and quality improvement for early childhood facilities, for the 2009-11 biennium and to the department of commerce for financing to early childhood facilities and early childhood facility grants for technical assistance, a business plan, or infrastructure for the 2009-11 biennium. The study should also consider the effectiveness of funding provided to the department of human services for child care service provider grants for the 2011-13 biennium. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 33. LEGISLATIVE INTENT - CENTER OF RESEARCH EXCELLENCE PROGRAM CONTINUITY. It is the intent of the sixty-second legislative assembly that the center of research excellence program be considered an ongoing program of the department of commerce.

SECTION 34. REPEAL. Chapter 15-69 of the North Dakota Century Code is repealed.

SECTION 35. EFFECTIVE DATE. Section 34 of this Act becomes effective on August 1, 2023.

SECTION 36. EXPIRATION DATE. Section 9 of this Act is effective through July 31, 2013, and after that date is ineffective. Section 11 of this Act is effective through June 30, 2013, and after that date is ineffective.

SECTION 37. EFFECTIVE DATE - EXPIRATION DATE. Sections 13 and 14 of this Act are effective for the first three taxable years beginning after December 31, 2012, and are thereafter ineffective.

SECTION 38. EMERGENCY. Funding of \$900,000 in the operating expenses line item in section 1 of this Act, relating to the operation intern program, and sections 9, 10, and 18 of this Act are declared to be an emergency measure.

Approved May 5, 2011
Filed May 5, 2011

CHAPTER 51

SENATE BILL NO. 2163

(Senators Dever, J. Lee, Mathern)
(Representatives N. Johnson, Metcalf, J. Nelson)

AN ACT to provide an appropriation to the department of human services for traumatic brain injury services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$110,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing traumatic brain injury case management services in eastern North Dakota, for the biennium beginning July 1, 2011, and ending June 30, 2013.

Approved April 26, 2011

Filed April 26, 2011

CHAPTER 52

SENATE BILL NO. 2275

(Senators Wardner, Lyson, Robinson)
(Representatives D. Johnson, Sanford, Williams)

AN ACT to provide an appropriation to the office of management and budget for community service supervision grants; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$375,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing community service supervision grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall distribute the grant funds on an annual basis on August first of each year of the 2011-13 biennium to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total annual allocation	\$187,500

SECTION 2. LEGISLATIVE INTENT. It is the intent of the sixty-second legislative assembly that the funds appropriated in section 1 of this Act are considered ongoing funding and that the funds be a part of the office of management and budget's base budget as a separate line item for the 2013-15 biennium.

Approved April 26, 2011
Filed April 26, 2011

CHAPTER 53

SENATE BILL NO. 2325

(Senators Wanzek, Erbele, G. Lee, Nodland)
(Representatives Headland, Weisz)

AN ACT to provide an appropriation to the upper great plains transportation institute; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - BUDGET SECTION REPORTS. There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the sum as may be necessary, to the upper great plains transportation institute for the purpose of updating and maintaining reports for transportation infrastructure needs for all county and township roads in the state, for the biennium beginning July 1, 2011, and ending June 30, 2013. During the 2011-12 interim, the upper great plains transportation institute shall report at least annually to the budget section of the legislative management regarding the status of the reports and shall present updated reports to the sixty-third legislative assembly.

Approved April 27, 2011
Filed April 27, 2011